

FBIS**DAILY REPORT**
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Vol II No 103

27 May 1982

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BTA SEES SIGN OF HOPE IN REAGAN PRESS CONFERENCE

AU261425 Sofia BTA in English 1325 GMT 26 May 82

["New Intonations in the President's Political Language" -- By Todor Stoyanov, BTA observer]

[Text] Sofia, 26 May (BTA) -- New intonations in the White House's language -- this is the question mark after the latest press conference of the U.S. President.

In Reagan's statements there were signs of a certain toning down of the opposing to which he and his closest associates have stuck up in the last 16 months. Is this a promising sign for a change in Washington's course towards a more realistic estimation of the Soviet-American relations as a basic factor determining the character of the situation in the world?

An evolution on these questions directly bound up with peace would be a positive phenomenon in the U.S. policy. The acceptance of the realities in the nuclear epoch is a prerequisite of a diplomacy without imperial illusions and groundless hopes for a policy of dictat as far as Moscow is concerned. The recent months have revealed the mounting of the interest towards realism not only in Western Europe but in the very United States as well.

The polls showed basic changes in the U.S. public thinking. The greater part of the Americans have already been aware of the apocalyptic aftermaths of the course of arms race. The fact that three fourths of the participants in the polls were for halting the opposing [as received] and for Soviet-American dialogue for freezing the nuclear arsenals and for a true control of them bears witness to imposing changes in the stand of the Americans towards the confrontation.

The attempts for Moscow to be presented as a militant, aggressive force, hostile to peace had not that effect which could serve as a reason for the adventurous moods and anti-Sovietism underlying the official plans and doctrines.

Well-known is the fact that scientists, politicians and ordinary people have differentiated themselves resolutely from those political schemes which pushed the USA and the West towards a stepped up confrontation with the world of socialism.

It is natural for old concepts and old inertia to be present in the political thinking of the President and of his closest circles. This was seen also from Mr Reagan's latest statements. What is important however, is not the old but the new intonations which lately have been seen in the U.S. President's language. The question is do these intonations mean that the beginning of a new process have already been set, a process which will halt gradually the militarist euphoria and will turn the U.S. policy back to the course of the dialogue including the summit dialogue with the Soviet Union without preliminary terms?

In the president's statements there are germs which perhaps give grounds for such hopes. An approaching of the U.S. policy towards realism would really be a new and hopeful change in Washington's course.

TALKS WITH INDIAN FOREIGN MINISTER CONTINUE

AU261050 Sofia Domestic Service in Bulgarian 0900 GMT 26 May 82

[Text] On 26 May the official talks between Petur Mladenov, minister of foreign affairs, and Narasimha Rao, India's foreign affairs minister continued. Some topical issues of international relations as well as some matters of mutual interest were discussed.

Later, Grisha Filipov, chairman of the Council of Ministers, received Narasimha Rao, India's minister of foreign affairs. During the talk they stressed the favorable development of the two countries' cooperation, as well as their economic and trade relations. The meeting was attended by Petur Mladenov, minister of foreign affairs.

This morning Narasimha Rao, India's minister of foreign affairs, laid a wreath at the mausoleum of Georgi Dimitrov, teacher and leader of the Bulgarian people.

Arrival in Varna

AU262026 Sofia Domestic Service in Bulgarian 1900 GMT 26 May 82

[Text] Narasimha Rao, Indian minister of foreign affairs, and Petur Mladenov, minister of foreign affairs, have arrived in Varna. They were accompanied by the ambassadors of the two countries Tocho Tochev and Bagiodi Deva Rao, as well as by other Bulgarian and Indian officials. Khristo Toshkov, mayor of Varna, gave a dinner for the esteemed Indian guest which was also attended by Comrade Petur Mladenov.

Current Indian Relations

AU261526 Sofia BTA in English 1337 GMT 26 May 82

[Text] Sofia, 26 May (BTA) -- India's relations with her neighbouring countries and the situation in the region of the Indian Ocean were thoroughly reviewed by Mr Narasimha Rao, India's foreign minister, at the talks he had this morning with his Bulgarian counterpart Mr Petur Mladenov.

Mr Rao said that his recent unofficial talks with Pakistan's ex-Foreign Minister Mr Agha Shahi on the normalization of the Indian-Pakistani relations have not led to positive results. The Pakistani proposals are aimed at reaching a unilateral benefit. Pakistan continues to put for discussion on international forums the Kashmir issue despite the agreement reached upon for this question not to be settled on a bilateral basis.

India's foreign minister maintains that India's relations with China are being restoring slowly and prudently. No smoothening of China's stand on the question related to the Indian territories occupied by her are seen. The stand of the Indian Government is that under no terms and never will India develop her relations with China on the account of third countries.

India's relations with the other countries of the region are good. She wants to develop her regional cooperation with the countries of the sub-continent. Sri Lanka's proposal for her hosting a conference on discussing the conversion of the Indian Ocean into a nuclear-free zone meets the opposition of the USA and of its other allies in the region.

Minister Rao noted the coincidence of Bulgaria and India's views on the situation in Southeast Asia, the Indian Ocean, the conflict between Iran and Iraq, Afghanistan.

He considers that the Irano-Iraqi conflict is to the benefit of those who want to set foot on the region. The question related to Afghanistan should be settled through a political way. The noninterference of outer forces will give the opportunity of the limited contingent of Soviet soldiers to be withdrawn.

India's foreign minister gave high assessment to the heroic struggle of the Vietnamese people against the Chinese expansionism in the region of Southeast Asia. He expressed a wish for the legal Kampuchea's Government to take its place in the Non-Aligned Movement.

The two ministers discussed also the Bulgaro-Indian relations. Minister Petur Mladenov stressed that the two countries political relations are very good, traditional and regular. He gave positive assessment to the economic cooperation and stood for its further extending. Noted was also the considerable development of the cultural relations.

Today Mr Narasimha Rao was received by Mr Todor Zhivkov, chairman of the State Council. They found the ascending development of Bulgaro-Indian relations laid on the basis of mutual trust and sincere friendship. Discussions also went on a number of topical international matters by laying stress on the fact that the two countries will continue in the future to give their contribution to consolidating peace and understanding among the peoples. Today India's foreign minister had also talks with Mr Grisha Filipov, chairman of the Council of Ministers. Special importance was attached to the development of the economic cooperation and to the expansion of the relations in the field of science and technology.

ZHIVKOV CABLES GREETINGS TO OAU PRESIDENT

AU251432 Sofia BTA in English 1332 GMT 25 May 82

[Text] Sofia, 25 May (BTA) -- Mr Todor Zhivkov, State Council president of Bulgaria has wired a telegram to the president of Kenya and chairman of the Organization of African Unity, Mr Daniel arap Moi. The telegram contains cordial greetings to the governments and the peoples of the African states on May the 24th -- the day of African liberation.

Bulgaria, reads the telegram in part, holds in high esteem the achievements and the successes of the national liberation movements on the African Continent, the brisk activity of the African people for further strengthening of their political and economic independence, for peace, security and cooperation between peoples, for equitable international economic relations. After pointing out the increasingly growing role of the international significance of the Organization of African Unity, the view is expressed that the preservation and consolidation of its unity stands a guarantee for an active defence of the sovereignty and independence of the African states, for doing away with colonialism in all its forms, for development of the relations of cooperation on the continent and in the whole world.

It is stressed further on in the telegram that Bulgaria holds in respect the policy of nonalignment of the African states and their ever more active role at the United Nations Organization, in the Movement of the Non-Aligned Countries and at other international forums. She upholds the proposals set forth by the African states for the conversion of the Indian Ocean into a zone of peace. She also fully supports the just struggle of the Namibian people for freedom and independence under the leadership of its sole legitimate representative -- SWAPO [South-West African Peoples Organization] -- and she insists on an immediate termination of the illegal occupation of Namibia by the South African Republic.

It is stressed in conclusion: "Bulgaria will continue to actively support in the future, too, the struggle of the African peoples against colonialism, neocolonialism, racism and apartheid and will work for the further development and deepening of the ties of allround cooperation with the independent African states in the name of peace, social progress, understanding and the happy future of peoples."

ZHIVKOV CABLES GREETINGS TO HUNGARY'S KADAR

AU251845 Sofia Domestic Service in Bulgarian 1730 GMT 25 May 82

[Text] Todor Zhivkov, secretary general of the BCP Central Committee, has sent the following telegram to Janos Kadar, first secretary of the MSZMP Central Committee:

Esteemed Comrade Kadar, on behalf of the BCP Central Committee and on my own behalf I convey to you most cordial greetings on your 70th birthday and on your again being awarded with the highest Bulgarian order, the Georgi Dimitrov Order. You are well-known in our country as a loyal son of the Hungarian people, an ardent communist, consistent internationalist and eminent figure of the international communist and workers movement. Your noteworthy activity is invariably connected with the heroic struggle of the Hungarian workers class and its communist vanguard for defeating fascism and capitalism, for the victory of the socialist revolution, for the defense of its achievements and for building a developed socialist society in Hungary. Your contribution to strengthening the unity and cohesion of the socialist countries' community and of the communist and workers movement is great.

On the day of your jubilee I wish you, Dear Comrade Kadar, good health and further successes in your highly responsible work for the socialist upsurge of the fraternal Hungarian People's Republic, for strengthening the friendship and cooperation between our parties and peoples and for the cause of peace and socialism, the telegram says in conclusion.

BCP STANISHEV-LED DELEGATION RETURNS FROM DUBLIN

AU251640 Sofia Domestic Service in Bulgarian 1500 GMT 25 May 82

[Text] The BCP delegation led by Comrade Dimitur Stanishev, which had attended the 18th Congress of the Irish Communist Party, has returned home from Dublin.

ECONOMIC COMMISSION BEGINS TALKS IN MOSCOW

AU261701 Sofia BTA in English 1455 GMT 26 May 82

[Text] Moscow, 26 May (BTA) -- The 26th sitting of the Intergovernmental Bulgaro-Soviet Economic and Techno-Economic Cooperation Commission began here today. The Bulgarian delegation is led by Mr Kiril Zarev, secretary of the CC [Central Committee] of the BCP, deputy-chairman of the Council of Ministers and chairman of the State Planning Committee, co-chairman of the commission. The Soviet delegation is headed by Mr Nikolay Talyzin, deputy-chairman of the Council of Ministers of the Soviet Union, the commission's co-chairman.

Discussion goes on questions related to the fulfillment of the general scheme and the branch programmes for the development of bilateral specialization and cooperation in the mechanical engineering for the light and the food and tobacco industries, in the manufacture of power equipment, for the development of cooperation in agriculture and geology. Measures for the fuller utilization of the capacities of the Bulgarian combined works of the heavy and chemical mechanical engineering on the basis of cooperation and their industrial relations with kindred plants and corporations in the USSR are outlined.

REPORTAGE ON ACTIVITIES OF KOMSOMOL CONGRESS

Shopova Addresses Congress

AU251405 Sofia BTA in English 1320 GMT 25 May 82

[Report on accountability report read by Stanka Shopova, first secretary of the Dimitrov Youth Communist League, to the 14th Congress of the Dimitrov's Komsomol held in Sofia on 25 May 1982]

[Text] Sofia, 25 May (BTA) -- Today the delegates of the 14th Congress of the Dimitrov Young Communist League heard the report of the CC of the Dimitrov Young Communist League read out by Mrs Stanka Shopova, its first secretary.

"For the Komsomol there is no greater honour and responsibility than that of its being the BCP's first assistant and militant reserve", the speaker said.

She stressed that in the last five years the Dimitrov Young Communist League has raised itself higher as a public and political organization of the Bulgarian youth which organize the young men and women in the building up of the developed socialist society and represents the youth's interests before all the units and levels of the social management.

Mrs Stanka Shopova said that the Bulgarian youth have never enjoyed such a confidence and tacking, they have never had such possibilities for unfolding the labour and their abilities.

About 60 percent of the specialists and workers with higher, semi-higher and secondary education are young people. In the enterprises of the energetic engineering and the chemical industry more than one third are young men and women, and in the mechanical engineering and electronics they make about 50 percent. Thanks to the undertakings and initiatives of the Komsomol members an extra effect of 100 million leva has been realized.

In the last five years the youth creative teams have realized an economic effect of 468 million leva thanks to the scientific themes transferred into practice.

About 20 percent of the people's councillors are young people under 30 years of age. 33 young men and women are people's representatives. More than 200,000 young people are members of the executive bodies of the economic and public organizations.

Mrs Stanka Shopova stressed that the aims and the tasks of the Dimitrov Young Communist League are specified mainly by the decisions of the 12th Congress of the BCP. The chief aim is to raise the role of the Bulgarian Komsomol for mobilizing the creative abilities of the young people in unfolding the production reserves, for overfulling the state tasks.

The efforts of the youth should be directed mainly to their active participation in the working out and to the transferring of techno-scientific achievements and the experience of the front rankers into practice.

The tasks of the Komsomol in the field of culture and science are for this organization to render assistance for the unfolding of the creativeness as a mass activity, for encouraging the young people in their associating with the socialist culture, for raising the role of the scientific and creative intelligentsia in the development of the society.

Mrs Stanka Shopova said that the Dimitrov Young Communist League must form efficiently the class party thinking in the young people. The Dimitrov Young Communist League will work for the strengthening of the anti-imperialist unity of action and cooperation in the international youth movement, for increasing the share of the young people in the struggle for peace, disarmament and detente.

Zhivkov Receives Soviet Leader

AU251639 Sofia Domestic Service in Bulgarian 1500 GMT 25 May 82

[Text] Comrade Todor Zhivkov has received Boris Pastukhov, first secretary of the Leninist Komsomol Central Committee. In a friendly and cordial atmosphere they discussed issues on further expanding and deepening the ties between the two countries' Komsomol organizations that will contribute to bringing Bulgaria and the Soviet Union closer. Stanka Shopova, first secretary of the Bulgarian Komsomol Central Committee, also attended the talks.

Zhivkov Attends Second Day

AU261048 Sofia Domestic Service in Bulgarian 0900 GMT 26 May 82

[Excerpt] The 14th Congress of the Dimitrov Komsomol continues. The delegates are taking the floor and reporting the main successes of Bulgarian youth in implementing the tasks springing from Comrade Todor Zhivkov's letter to the Komsomol Central Committee and the decisions of the 12th BCP Congress.

The morning session is being attended by Comrades Todor Zhivkov, Dobri Dzhurov, Petur Dylgerov and Georgi Atanasov.

Zhivkov Receives Delegates

AU261420 Sofia BTA in English 1315 GMT 26 May 82

[Text] Sofia, 26 May (BTA) -- Today Mr Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council, received the heads of the delegations of the fraternal youth unions of the socialist countries, who participate in the 14th congress of the Dimitrov Young Communist League.

Present at the meeting were: Mr Boris Pastukhov -- first secretary of the CC of the All-Union Leninist Young Communist League; Mr Nguyen Thi Han -- secretary of the CC of the "Ho Chi Minh" Union of Communist Youth of Vietnam; Mr Klaus Bernhardt -- secretary of the Central Council of the Union of the Free German Youth; Mr Carlos Loje Davila -- first secretary of the National Committee of the Union of Young Communists of Cuba; Mr Nam Chae Hwan, deputy-chairman of the Central Committee of the Union of Korean Socialist Working Youth; Mr (Thonglai Komasi) -- chairman of the Constituent Committee of the People's Revolutionary Union of Lao Youth; Mr (Darzaben Bohr) -- secretary of the CC of the Mongolian Revolutionary Youth Union; Mr Andrzej Ornat -- head of the Union of Polish Harcerzy; Mrs Ana Ferencz -- secretary of the CC of the Union of the Communist Youth of Romania; Mr Laszlo Varga (Sabian) -- secretary of the CC of the Hungarian Communist Youth Union; Mr Jaroslav Jeneral -- chairman of the CC of the Socialist Union of Czechoslovak Youth; Mr Ljubodrag Ilic -- member of the Conference of the Union of Socialist Youth of Yugoslavia; Mr (Nout Thon) -- chairman of the Revolutionary Youth of Kampuchea, and Mr Miroslav Stepan -- chairman of the International Students' Union.

Mrs Stanka Shopova, first secretary of the CC of the Dimitrov Young Communist League, also attended the meeting.

CZECH GOVERNMENT, TU COUNCIL PRESIDUM MEET

LD262120 Prague Domestic Service in Czech 1630 GMT 26 May 82

[Text] A joint meeting of the Presidium of the Government of the Czech Socialist Republic and the Presidium of the Czech Trade Union Council was held in Prague today. The session was chaired by Josef Kocak, Czech premier, and Vaclav Bezel, chairman of the Czech Trade Union Council.

At the session, the implementation of the joint approach of the Presidiums of the Czech Government and the Czech Trade Union Council in safeguarding and controlling the fulfillment of the plan and collective agreement in 1982 were discussed. Both presidiums stated that state, economic and trade union bodies are to focus on selected, decisive tasks of economic and social policy, review jointly the standard of implementation and win working people over for their consistent implementation.

The presidiums of the Czech Government and the Czech Trade Union Council stated critically that the fulfillment of some tasks does not correspond to the expected results. These are, above all, export tasks, more effective remuneration, collection of metal scrap and other secondary materials. This is why practical measures have been adopted to remove the shortcomings which accompany the safeguarding of tasks. A higher level of responsibility of branch ministries for the fulfillment of set tasks, above all export tasks, will be required. The goals of the 5-year plan for the development of the national economy in the Czech Socialist Republic in 1981-85 and the guidelines for working out an operational state plan for 1983 were discussed.

During the meeting, the need for a significant growth in the intensification of the economy, above all the maximum reduction of material and energy demands of production, and a flexible implementation of technological development were also discussed.

CPCZ SECRETARIES ATTEND INDUSTRY SESSION

AU261115 Prague RUDE PRAVO in Czech 25 May 82 p 1

[Text] Prague, 24 May (CTK) -- A conference of regional, and Prague and Bratislava city, party committee secretaries for industry, was held this Monday in Prague; it was chaired by Milos Jakes, CPCZ Central Committee Presidium member and secretary, and attended by Miloslav Hruskovic, CPCZ Central Committee Presidium candidate member and secretary of the Slovak Communist Party Central Committee, and Josef Haman, CPCZ Central Committee secretary.

The conference assessed the fulfillment of conclusions drawn by the 16th CPCZ Congress in national economic development for the years 1981-85 and the preparation of the state implementation plan for 1983; it also discussed the uniform course of party bodies and organizations in the realization of the work mentioned above. The conference particularly stressed the need for approaching exactly and responsibly the fulfillment of the tasks of this year's state and national economy plans as an important prerequisite for achieving the intentions of Czechoslovakia's economic and social advance, anchored in the law on the Seventh 5-Year Plan.

CPCZ SECRETARY BENO ADDRESSES PARTY SEMINAR

AU261118 Prague RUDE PRAVO in Czech 25 May 82 p 2

["(VO)" signed report: "A Stimulating Seminar"]

[Text] Plzen, 24 May -- A seminar of chairmen from selected all-factory and local CPCZ committees and plant party organizations in the west Bohemian region, devoted to the exchange of experience in political-organizational and educational work for ensuring the 16th CPCZ Congress resolutions, and attended by Comrade Mikulas Beno, CPCZ Central Committee secretary, was held this Monday in Plzen.

As followed from the main paper, submitted by Comrade Josef Mevald, leading secretary of the CPCZ's Regional Committee, the fulfillment of the set goals, particularly in orientation toward the quality and effectiveness of all work, in many aspects depends on the standards and effectiveness of the methods implemented in the party bodies' organizational, management and educational activity, and particularly the activity of the CPCZ's factory organizations.

Comrade Mikulas Beno also took part in the discussion. He stressed the correct nature of one of the main goals of the seminar, namely to make use of the exchange of experience in organizational and political-educational work for intensifying the role of CPCZ's factory organizations as the leading core of working collectives, which motivates the behavior of others by its approach to tasks. He also appraised the efforts of west Bohemian communists to establish conditions for implementing a uniform course in realizing the party's economic and social program.

CPSL MEETING CONSIDERS AGRICULTURAL QUESTIONS

LD261512 Prague Domestic Service in Czech 1330 GMT 26 May 82

[Text] The CPSL Central Committee Commission for Agriculture and Food discussed in Bratislava today a comprehensive solution concerning the problems in the East Slovak Lowlands.

Chaired by Jan Janik, Presidium member and secretary of the CPSL Central Committee, the commission also debated the direction of the energy program in the agriculture and food industry as well as making a comprehensive evaluation of the production of sugarbeet and the production of sugar during the past campaign and the procurement of sugarbeet according to sugar content. The commission adopted appropriate recommendations on the issues.

JAKES VISITS KROMERIZ DISTRICT ENTERPRISES

LD262230 Prague Domestic Service in Czech and Slovak 1500 GMT 26 May 82

[Text] Milos Jakes, member of the Presidium and secretary of the CPCZ Central Committee, visited Kromeriz district today. In the Pal Magneton national enterprise, he acquainted himself with the team of (Josef Satny), hero of socialist labor, and the development and preparation of the production of a numerically-controlled electric arc cutting machine with a continuous coordinated bench.

Comrade Jakes also visited the Naradi national enterprise in Hulin and at the end of his visit he had a discussion with functionaries of the district.

CPCZ WEEKLY: CIA ORGANIZER OF MODERN TERRORISM

AU251943 Prague TRIBUNA No. 19 in Czech 12 May 82 p 15

[Boris Lejbzon articles: "Terrorism Is the Child of Capitalism"; capitalized passages published in boldface]

[Excerpts] Terrorism is nothing new; but never in the entire history of the capitalist world has it been so widespread. The new thing is that whereas a bourgeois state formerly confined itself to sending out its agents into terrorist organizations in order to render them harmless, it can be said that the secret services of these states, above all the CIA, are now organizing constant terrorist actions, murders and sabotages themselves.

The strategy of tension developed by the terrorist groups in Italy and Spain, the activities of such ominous organizations as the Death Squadron or Angels of Revenge in El Salvador, or the terrorist actions preceding the liquidation of the government of popular unity in Chile, as well as later actions, would not have been possible without the systematic financial assistance and training of appropriate cadres. TODAY'S CIA IS THE BANKER AND ORGANIZER OF MODERN TERRORISM.

The police in all countries quickly discovered how to make use of terrorists to fight revolutionary movements. In the first place, there is the possibility of accusing all revolutionaries of dabbling in terrorism, thus inciting hatred against them. Use is also made of the fact that terrorism, primarily terrorism "from the left," covers up its activities by revolutionary and even pseudo-Marxist-Leninist slogans and phrases so that one can slander the communists and their ideology and disorient the masses and public opinion. The bourgeoisie is presenting terrorism as the reason to persecute all democratic forces and suppress every protest.

The Communists Are On Principle Against Terrorism

We can justly conclude that often terrorism is not a form of protest by desperate individuals or groups which cannot find their place under the sun in the capitalist society, but actions organized with evil intent by forces with extensive material means and interested in fighting democratic forces.

ALL MARXIST-LENINIST PARTIES ARE ENERGETICALLY AND CONSISTENTLY FIGHTING AGAINST TERRORISM. In Ireland the terrorist actions must unconditionally cease, since they are harming the Irish people and their goals.

In the FRG the communists are explaining how terrorism is harming the workers movement. The communists are resolutely condemning all attempts to discredit the democrats as alleged potential allies of terror.

In Italy, where terrorism became particularly widespread in the 'seventies and where it took on particularly ruthless forms, the Communist Party is the most consistent and unappeasable force in the fight against it.

In the present situation, when terrorism has become the tool of reaction, communists are stepping up their fight against it even more than heretofore. The communist parties, loyal to their ideas and convinced that social changes are achieved exclusively through an active, conscious and organized fight of the masses, are standing in the front ranks of this fight.

"International Terrorism" and the Liberation Fight

The endeavor to make use of the fear of terrorism for fighting the forces of democracy and progress is manifested in the campaign against "international terrorism" declared by imperialism, and by American imperialism in the first place. Reagan's leadership has bestowed this name on the national liberation movements, regardless of the country or form they are developing in. Mass actions, partisan fighting, all and any form of protest is regarded by imperialism as something artificially produced by hecklers, as an expression of terrorism.

People who think that being a revolutionary, a progressive person fighting for democracy means being a terrorist are probably relying on the fact that it is sufficient to replace one term with another in order to justify all and any gendarme actions. But the junta of El Salvador, which is murdering off its own people in a terrorist way, will not become a defender of human rights merely because it calls itself one. In the same way a national liberation movement will not cease to be one even if some attribution or other is stuck to it.

NEW MEASURES FOR IMPROVING MANAGEMENT DISCUSSED

AU251731 [Editorial Report] Under the headline "How Did You Fare in the First Year?," Prague RUDE PRAVO in Czech on 20 May on page 3 carries a 5,400-word account of an undated discussion held in the RUDE PRAVO editorial office, dealing with workers' experiences acquired since the introduction of the set of measures for improving the planned management system of the national economy. The discussion is chaired by RUDE PRAVO staff journalists Jan Tihlarik and Miloslav Vltavsky and is attended by workers from eight different production enterprises in Bohemia and Moravia, as well as Leopold Ler, CSSR minister of finance and chairman of the Government Committee for Planned Economic Management, and Jaromir Zavadil, employee of the CPCZ Central Committee's Economic Department.

In their initial statements, the workers report on the impact of the set of measures on the quality of their enterprises' production and, consequently, on the wages. They explain in detail the regulations governing the granting of bonuses or the imposition of sanctions in their enterprises, and with one exception, note that the growing demands on quality have been reflected in improved wages. Stanislav Stosek from the Elitex enterprise in Sobeslav mentions, for example, that he now makes Kcs1.40 an hour more than before the introduction of the set of measures; Jiri Kazda from the East Bohemian chemical works in Pardubice mentions that the difference makes about Kcs300 a month. Only Vera Mala from the Tesla Holesovice enterprise complains that "the demands on quality are growing but people do not notice it on their wage slips. Everyone has his own grade. When we fulfill the plan, we get two percent more. When we do not, the remuneration is cut 2 percent for each percent of nonfulfillment." Drawing a conclusion from the workers' statements, Zavadil describes it as a "very positive fact" that the quality of a worker's production is beginning to have a direct impact on his wages but adds: "However, on the other hand it can be seen that so far not all workplaces proceed consistently according to the set of measures, as we would wish and as we need. The supervisory personnel of some enterprises have not yet worked out the principles because it is only this year that these enterprises will begin to implement the bonus systems that reflect more than heretofore the quality of labor. At many places employees do not yet feel the [impact of this] quality of their work on the wage slips. This is a grave fact with which the enterprises must speedily come to terms to make sure that at all workplaces we have accurate criteria for the quality of work."

Minister Ler agrees with Zavadil: "We adopted the resolution on the comprehensive quality control system in 1978 but, nevertheless, the system has not been applied everywhere. Some argue: We do not have norm-setters, we do not have quality control inspectors, we do not have stock-controllers. There is a great delay. The ministries and economic production units should make an energetic step forward in this respect."

The workers are then asked how their enterprises deal with those who produce poor quality goods. In their responses, they refer to "interviews" and "public criticism," to training programs and to pay cuts and reassignments of people to "less demanding" and financially less rewarding posts. Karel Vasut from the Sigma Lutín enterprise mentions that in his enterprise workers have also had to "partially make up for the damage caused by rejects they had produced"; Bohuslav Cermak from the Stavokonstrukce Praha enterprise notes that employees of his enterprise have had to stay in work after working hours "to redo the work they had done carelessly" and Vera Mala even refers to the "discharge of undisciplined employees." However, she adds, this is applied only in the "very worst cases."

In their following answers, the workers discuss the impact of the set of measures on the quality of managerial work and organization of labor in their enterprises. Most of them note improvements in the organization of labor in the past year and attribute it to the newly introduced "comprehensive evaluation" of the managerial employees' work, to the improved quality of production meetings, to new technology, to "extensive cadre changes" (Vera Stepanikova from the Meopta Prerov enterprise) and to the "pressure from the enterprise management." However, according to Bela Coufalova from the Gustav Kliment works in Trebic-Borovina, Jiri Kazda and Vera Stepanikova, problems in labor organization caused by lack of materials and deficiencies in supplier-consignee relations persist.

Speaking about the development of labor organization in the construction sector, Bohuslav Cermak notes that the improvements could be even more pronounced. He says: "Labor organization at construction projects that are under the government's supervision is much better than at other projects. The apparent reason is the managerial personnel's fear that shortcomings might cause them trouble from above. However, when they have the impression that the project is not so important, sometimes they do not try that hard."

Further on in the discussion, the workers deal with the impact of the set of measures on the "technical standard" of products and the number of rejects. They report on their enterprises' "innovation programs" and newly introduced products, on the number of their products rated as first quality or awarded prizes at fairs and note the positive impact of the enterprises' quality control systems on the reduction of "internally produced rejects." They attribute this positive development to the existence of financial penalties. Leopold Ler confirms this. He says: "Last year losses caused by poor quality products decreased about 10 percent in the CSSR. The reduction in some branches was up to 24 percent; in general engineering it was more than 12 percent; in heavy engineering about 15 percent. We believe that you have now 'sorted out' the more obvious shortcomings and are now facing the task of tackling the quality of products itself and the actual losses caused by poor quality production. Nevertheless, I think that last year's results are positive. By having included the index of quality among the planning indicators, we are now able to permanently monitor its development. We will continue to do so in the period to come and will further improve the system. In the very next days the CSSR Government will discuss the draft of 'the government's measures for ensuring and further improving the quality of production and analogous economic activities,' which stipulates more accurate and standardized conditions for penalizing the enterprises' poor quality production."

The construction worker Bohuslav Cermak is the only participant in the discussion who is pessimistic when discussing quality improvements. He says: "Even when we have the opportunity to improve something in the designer's plan, the improvement must either be done unofficially or we must abandon it altogether in view of the lack of organizational flexibility. Even when we propose an improvement -- because all the required procedures must take their due course -- the project can no longer be completed by the set deadline."

In their concluding statements, the participants in the RUDE PRAVO discussion reaffirm that the set of measures requires everyone's "honest work" and assert that, under the new system, everyone deserves the money he earns. Only the worker Vera Mala has a grievance to air: "I would only like to say that we adopted a counterplan and, because we fulfilled it, we should be earning more money. Yet we were told that it is not possible to distribute this money among the people who had worked more."

Minister Ler sets her right: "You are wrong in this, comrade. The money saved in this way may be used to reward the employees. However, it is a fact that we are discovering a number of cases of insufficient linkage between intraenterprise cost accounting [khozaschet] and the operative production plan. The planned tasks are mechanically broken down for the individual departments, and also the breakdown of the payable wages for the individual departments is not satisfactory. That applies also to the funds designed to stimulate the adoption of higher tasks or the exceeding of planned tasks. The correct stimulation of people then gets lost in such cases, to the detriment of the cause."

Summing up, Tihlarik and Vltavsky note that the discussion revealed that the measures introduced at the beginning of 1981 are "correct" but that "they have not yet fully trickled down to the individual workplaces." Should practice show that these regulations "do not sufficiently fulfill their role, that they are too soft or not comprehensive enough," they add, "it will be necessary to further improve them, in accordance with the experiences of workers and foremen."

They say in conclusion: "A good foundation has been laid. Now it is necessary to consistently implement the adopted principles. Responsible for this are concrete managerial workers. In implementing the rules of the set of measures, there must be direct interdependence between the work result and the remuneration for it. In brief -- the deserved reward for good work."

TWO COMMITTEES VIEW CITIZENS' COMPLAINTS

LD262346 Bratislava Domestic Service in Slovak 1630 GMT 26 May 82

[Text] Two committees of the Slovak National Council held a session in Bratislava today: the Committee for Industry and the Building Industry and the Committee for National Committees and Nationalities. Both meetings discussed the report on the realization of the measures for securing the concept of the housing policy for the Seventh 5-Year Plan. The deputies noted that now all measures are being fulfilled on time in line with the deadlines laid down by the government and that the volume of unfinished projects concerning basic civil and technological amenities had not gone down either.

The Slovak National Committee for National Committees and Nationalities discussed also the control report on the work of the committees for citizens' affairs. More than 20,000 people work on these committees and they make an effective contribution to the political preparation of citizens. The committee also dealt with an analysis of the way complaints, comments and stimuli are dealt with. In 1981 citizens sent 19,811 such communications to the ministries, other central bodies and the national committees in Slovakia. Ladislav Mikus comments on this part of the deliberations.

[Begin recording] The complaints, comments and stimuli from citizens are usually a good indicator of the interest people have in public affairs. The point is that the development of socialist democracy systematically stimulates the active interest of citizens in political, economic and cultural development. The current complex development and some problems and shortcomings caused by it, directly concerns both individual and collective interests. Citizens observe life around them more carefully and see shortcomings much more clearly above all those of a subjective nature.

I emphasize the word subjective since as a rule most shortcomings are caused by individuals. Out of the more than 19,000 complaints, mentioned above, received by the national committees, the majority have a direct link with the needs and requirements of citizens. Those are above all problems and shortcomings in supplies, trade and services for the people, in the management of the housing fund, in social care, in mass transportation and in some other area. There were also comments pointing out insufficient protection of publicly-owned property, theft and damage. More than half of these complaints were justified.

The individual bodies have put things right but did not punish those who were responsible as much as they should. For this reason the deputies pointed out considerable reserves in the individual organizations and bodies in enjoining the appropriate measures and punishments. At the moment, written and public reprimands prevail.

On the whole the number of complaints is not on the increase but the number of anonymous letters is increasing and in them citizens criticize various negative phenomena such as the theft and damaging of property in socialist ownership, corruption and bribery, overcharging and so on. Alas, there are also anonymous letters which represent the undesirable and inappropriate misuse of the right to lodge a complaint for one's personal goals.

The complaints and comments of the working people reflect the thinking and work of the people, their difficulties and demands.

For this reason they are a valuable source of information about the problems and shortcomings in the various spheres of the national economy and state management. For this reason they are carefully processed by the Slovak National Council -- the highest legislative body.

The officials and workers in the national committees and the organizations managed by the national committees are in the closest contact with the people. The number of complaints concerning the workers of these organizations have gone up above all in these places where they had neglected the fulfillment of their duties through underestimating the work with the people, the educational and organizational work, and where they did not require a consistent fulfillment of the duties laid down by the valid legal directives and by the measures adopted for improving the quality of the work with complaints. The deputies of the Slovak National Council pointed out that the workers of the national committees must show more initiative and pay greater attention to the comments and suggestions from the working people, and they must also see to it that the work of the national committees is better organized so that citizens' contact with the departments is made easier.

Officials should understand that even now Gottwalk's slogan "The people are not for the authorities but the authorities for the people" is valid -- as was pointed out by Comrade Jindrich Polednik in the report of the Central Committee at the 6th session of the CPCZ Central Committee.

CHNOUPEK RECEIVES PRC AMBASSADOR 26 MAY

LD262228 Prague Domestic Service in Czech and Slovak 1500 GMT 26 May 82

[Text] Bohuslav Choupek, minister of foreign affairs, received in the Cernin Palace in Prague today Li Tingquan, ambassador of the People's Republic of China to Czechoslovakia.

Questions of mutual relations between both countries were the topics of their discussion. They also exchanged views on some topical issues of the international situation.

OFFICIALS RECEIVE VISITING GDR DIGNITARIES

Indra Received Goetting, Heyl

LD262330 Prague Domestic Television Service in Czech 1730 GMT 26 May 82

[Text] Alois Indra, chairman of the Federal Assembly, today received Gerald Goetting, deputy chairman of the GDR Council of State and of the People's Assembly and chairman of the Christian Democratic Union; and Wolfgang Heyl, deputy chairman of the Christian Democratic Union, who attended the Third Congress of the Czechoslovak People's Party.

Havlin Sees Education Minister

LD262346 Bratislava Domestic Service in Slovak 2030 GMT 26 May 82

[Text] Josef Havlin, secretary of the CPCZ Central Committee, met today in Prague with Hans Joachim Boehme, GDR minister of higher and vocational education. In a comradely discussion they exchanged views and experiences concerning the realization of the tasks borne out by the conclusions of the congresses of both fraternal parties in the sphere of education and science.

KARMAL'S CONCLUDING ADDRESS TO THE PEOPLE

DW250933 East Berlin Domestic Television Service in German 1945 GMT 24 May 82

["Television Address" by Babrak Karmal, general secretary of the People's Democratic Party of Afghanistan [PDPA] Central Committee and chairman of the Democratic Republic of Afghanistan [DRA] Revolutionary Council, on the conclusion of his visit to the GDR; in vernacular with superimposed German translation -- videotaped]

[Text] Dear friendly citizens of the GDR, who are fraternally allied with us, dear comrades and friends:

To begin with allow me to convey to you the militant and friendly greetings of the members of the PDPA, the members of the government and all working people of the DRA.

The solid and fraternal relations between our parties, states and peoples experienced a great upward surge with the April Revolution carried out under the leadership of the PDPA and have strengthened, especially in their new phase. They have now reached a new level on the basis of proletarian internationalism, and this meets with our great appreciation.

The visit by our party-state delegation to your beautiful country, our meetings and talks with our esteemed Comrade Erich Honecker and the other officials of the GDR party-state leadership were an important step toward the development of our fraternal and friendly relations. The signing of the treaty of friendship and cooperation and of the other documents has created a solid foundation for further consolidating and comprehensively developing our mutual relations.

In the nearly 33 years that have passed since the founding of the GDR, the first worker-peasant state on German soil, a fundamental change has taken place not only in the life of your working people; the existence of your state has also influenced the entire political climate in Europe to the advantage of peace and security here and in the world. In this historically short period the GDR has developed into a strong socialist state.

During our 6-day visit to the GDR, we had the opportunity to see for ourselves the great successes which the GDR working people have attained in all fields of industry, agriculture, culture and social life. We were able to witness this in the IFA truck manufacturing combine at Ludwigsfelde, in LPG's in Erfurt Bezirk, in the national research and memorial institutes of classical German literature, and during our talks in the homes of LPG peasants and with many working people in the streets of their towns and villages. When we inspected the Buchenwald Memorial, we saw for ourselves the most sinister and tragic period in the history of the German people -- the rule of terror by fascism. It was thus with much joy and satisfaction that we were able to see that a completely new society and a new life has emerged on the ruins of the past.

Our inspection of the GDR state border strengthened our conviction that the achievements of socialism are reliably protected and that the GDR, located at the dividing line between imperialism and socialism, has made a great contribution to the cause of peace and security in Europe. We are aware that these great successes were possible only as a result of the wise leadership by the SED. We hold your great creative work and your achievements in great esteem. We believe that your efforts and endeavors bear a direct relationship with the cause of peace because socialism and peace are essentially one.

Dear comrades and friends, the situation in Europe has intensified as a consequence of the U.S. Government's plans. The decision on the deployment of U.S. medium-range missiles on this continent is in direct contrast to the peace aspirations in Europe and the world. This is why we resolutely condemn that decision.

The preservation and consolidation of peace and security in Europe and the world has become the key issue for mankind. This is the reason why we regard the implementation of the proposals and initiatives of the Soviet Union as the only alternative to the existing situation. We fully and totally support them.

The contribution of the GDR, the other socialist countries and the progressive forces to ensuring peace and disarmament and to deepening detente is great. True to the principles of proletarian internationalism, the GDR has extended moral and material support to the people of Afghanistan in their defense of the achievements of the April Revolution and in their overcoming of the existing difficulties. We appreciate this assistance and consider the GDR to be our friend and loyal comrade in arms. It is justifiable to say that a new quality has developed in the great friendship between our parties, states and peoples.

Dear comrades and friends, as you know imperialism, headed by the United States in alliance with the Chinese hegemonists and the Arab and internal forces of reaction, continues its undeclared war against the DRA. By using the territory of Pakistan as a springboard for aggression, military intrusion and the arming of counterrevolution, imperialism endeavors to maintain tension in the region, on the one hand, and seeks to raise obstacles to a new normal process of revolutionary transformation in our country, on the other. In this respect the counterrevolution concentrates its actions on disrupting the normal and calm life of our peaceful people -- it sets fire to cultural institutions, mosques, hospitals and schools; it mercilessly murders women, children and old people; and it deprives the country of its cultural and scientific treasures. The reason for such inhuman actions is obvious. The April Revolution, and especially its new phase, has overthrown the exploiter class and eliminated the influence of its imperialist masters. The revolution, which introduced a new phase in our history, has created great opportunities for our suffering working people to participate in the building of a new society and to find joy and happiness.

Along with the revolution our party and government mapped out a broad program of national and democratic transformation whose implementation puts an end to the rule of the old feudal and pre-feudal conditions. Opportunities for our people to (?participate) were created on a broad scale. In the national patriotic front our working people today have a social organization in which they cooperate in implementing the program of the party and state and in continuing the social transformations.

The PDPA national conference in March this year turned a new page in the social, economic and cultural development of our country. On the basis of the program of action adopted then, we are now in the process of considerably and calmly taking steps toward fulfilling this program and promoting the revolutionary process of the transformation of our society. The achievements of our people achieved under the PDPA's leadership demonstrate that our revolution can defend itself and that the transformation of society is assuming new dimensions daily.

Even under the conditions where imperialism and reaction continue to wage the undeclared war against our country, we continue our untiring struggle to build a new society, and to enhance the material and cultural living conditions of the working people of our country. In this struggle, in which we are united with the broad masses of our people, we sense the militant solidarity of your country, the GDR, and of the other socialist countries, above all the Soviet Union. We enjoy the support of the international workers movement and of the national liberation movements of Asia, Africa and Latin America which play a great role in securing and defending the achievements of the April Revolution, especially during its new phase.

I would like to take this opportunity to convey friendly greetings to you, the citizens of the GDR, on behalf of my comrades and of the peoples of revolutionary Afghanistan, and to wish you further great successes in building the developed socialist society. Long live the deep and solid friendship between the people of revolutionary Afghanistan and the People of the GDR.

OFFICIALS ATTEND FRG MISSION RECEPTION 26 MAY

LD262016 East Berlin ADN International Service in German 1719 GMT 26 May 82

[Text] Berlin, 26 May (ADN) -- A reception was held today in the FRG permanent mission on the anniversary of the proclamation of the basic law of the FRG. The head of the FRG permanent mission, Dr Hans Otto Braeutigam, welcomed the following guests: Werner Krolikowski, member of the SED Central Committee Politburo and first deputy chairman of the Council of Ministers; Werner Jarowski, candidate member of the Politburo and secretary of the SED Central Committee; Dr Manfred Gerlach, deputy chairman of the State Council; Dr Herbert Weiz, deputy chairman of the Council of Ministers; Oskar Fischer, minister of foreign affairs; Gerhard Beil, state secretary and first deputy minister of foreign trade; other figures in the social life of the GDR; and heads of diplomatic missions accredited to the GDR.

REPORTAGE ON VISIT OF MEXICAN FOREIGN MINISTER

Talks With Fischer Begin

LD261320 East Berlin ADN International Service in German 1213 GMT 26 May 82

[Text] Berlin, 26 May (ADN) -- The foreign ministers of the GDR and Mexico, Oskar Fischer and Jorge Castaneda, began their talks in Berlin today. Castaneda arrived in the GDR this morning on an official visit.

The two politicians held meetings in 1979 and 1981 and had an intensive exchange of views on the further deepening of GDR-Mexico bilateral relations and on international questions. They agreed that the visit to Mexico by GDR Council of State Chairman Erich Honecker last September was an acknowledged high-spot in the traditionally good relations and made a substantial contribution to the further dynamic development of cooperation between the two countries in the political, economic and cultural sphere.

The foreign ministers confirmed the view taken by the governments that the relations of friendship and of mutually advantageous cooperation have their solid basis in the fundamental agreement of interests of the GDR and Mexico in basic issues of present-day international politics, above all in the maintenance and safeguarding of world peace.

Proceeding from these joint standpoints, Oskar Fischer and Jorge Castaneda discussed the situation in various regions of the world, in particular in Europe and Central America.

Before the start of the official talks, which were held in a friendly and open atmosphere, the Mexican guest honored the victims of fascism and militarism by laying a wreath at the Unter den Linden monument.

Mittag Meets With Minister

LD261822 East Berlin ADN International Service in German 1644 GMT 26 May 82

[Text] Berlin, 26 May (ADN) -- Guenter Mittag, member of the SED Central Committee Politburo and of the GDR State Council, received Jorge Castaneda, foreign minister of the United Mexican States, for a friendly talk on Wednesday.

Both sides praised the development of the economic relations between both countries. They have developed especially dynamically on the basis of the agreements which were signed with President Lopez Portillo of the United Mexican States on the occasion of the state visit of Erich Honecker, SED Central Committee general secretary and chairman of the GDR State Council, last September in Mexico. In the view of both sides, this development is to be continued determinedly.

Gerhard Beil, member of the Council of Ministers and state secretary, took part in the talk.

ADN Reports Dinner Toasts

LD262330 East Berlin ADN International Service in German 1854 GMT 26 May 82

[Text] Berlin, 26 May (ADN) -- GDR Foreign Minister Oskar Fischer gave a dinner on Wednesday evening in honor of Mexican Foreign Minister Jorge Castaneda. At the start of the dinner both ministers exchanged toasts in which they stressed the joint efforts of the GDR and Mexico for peace.

Oskar Fischer said in his toast: "Respect for sovereign equality and, on this basis, for prospering relations between states, self-determination and independence of nations no matter on which continent, banning the threat or the use of force in international relations, peaceful solutions to conflicts and preservation of peace, that is to say respect for all life -- these principles are declared by the United Mexican States as well as the GDR."

The intensive exchange of views between the politicians has confirmed that both states "have converging views and even agree on international fundamental questions." The path to a secure life has been achieved primarily by arms limitation and disarmament. "For this, less, not more weapons are necessary. The bitter experiences of the catastrophe of two world wars, which were started by German imperialism, proved that."

Starting from the principle of equality and equal security, the GDR is for agreements to freeze and to get rid of nuclear medium-range missiles and strategic weapons as a measure which can effectively reduce the danger to peace. "In the same spirit we also consider the continuation of the East-West dialogue, especially in the complicated international situation of today, to be urgently necessary and especially valuable," Oskar Fischer said.

It was hopeful and reassuring that the initiatives of the USSR are not only being supported by her immediate allies but are receiving increasing support and agreement from many nations and governments interested in peace, detente and disarmament. It is necessary to dismantle suspicion and to strengthen trust.

In this sense the meeting of the highest representatives of the GDR and Mexico, Erich Honecker and Jose Lopez Portillo, was an example for mutually beneficial dialogue on the basis of mutual understanding and political goodwill. The GDR is ready to continue the friendly relations between both states and peoples and to strengthen cooperation, Oskar Fischer underlined.

In his reply Jorge Castaneda expressed thanks for the fact that he has this opportunity to visit the GDR for the second time "and to take up again the dialogue, which I can say at this stage has already taken on continuity." He said that during Erich Honecker's visit to Mexico it clearly became apparent how fruitful the exchange of views between the representatives of two countries who had the desire to talk could be. "The results achieved during this state visit are undoubtedly cause for great satisfaction for both states." In past years every opportunity has been used to enrich bilateral cooperation and to deepen it and shape it more dynamically.

Referring to the present international situation Jorge Castaneda stated: "We share the deep concern at the further stepping-up of the arms race, especially with regard to the growing production of weapons of mass destruction." Mexico attaches great importance to all forums that concern themselves with this unavoidable question, offers them support and is in favor of resuming negotiations on nuclear disarmament. He said that one can note with satisfaction that relations in the spheres of art, science, education and sports have made an important contribution to the better mutual acquaintance of the peoples of Mexico and the GDR. "The economic cooperation between our two states opens up considerable possibilities for its further expansion," Jorge Castaneda said. Good conditions for this are provided by the agreement signed in Mexico last October and considerable progress has already been made in implementing it.

FISCHER RECEIVES JAPANESE OFFICIALS 26 MAY

LD262220 East Berlin ADN International Service in German 1507 GMT 26 May 82

[Text] Berlin, 26 May (ADN) -- GDR Foreign Minister Oskar Fischer today received the governor of the Japanese prefecture of Saga, (Kumao Katsuki), and the mayor of the Japanese porcelain manufacturing city of Arita, (Ruiji Aoki). The Japanese visitors brought friendly greetings from the people of Saga and Arita to the general secretary of the SED Central Committee and chairman of the GDR Council of State which Foreign Minister Oskar Fischer cordially reciprocated on behalf of Erich Honecker, who was made an honorary citizen of Arita last year.

During the talk both sides reaffirmed that Erich Honecker's state visit to Japan in May 1981 had given important impulses for advantageous cooperation between the GDR and Japan and for friendship between the two peoples. The beneficial effect of good bilateral relations for peace was stressed.

The Japanese politicians, who are on a visit of several days to the GDR, were received for an exchange of views this morning by Berlin Mayor Erhard Krack. They also had informative talks in the Ministry of Culture.

VERNER RECEIVES VISITING SYRIAN MINISTER 26 MAY

LD261404 East Berlin ADN International Service in German 0837 GMT 26 May 82

[Text] Berlin, 26 May (ADN) -- Paul Verner, member of the SED Central Committee Politburo and secretary of the SED Central Committee, received the minister of religious trusts of the Syrian Arab Republic, Dr Muhammad al-Khatib on Tuesday. At the start of the talk the Syrian guest conveyed greetings from President al-Asad to Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State.

During the friendly talk there was agreement on the need for constant action against the threat of war, and agreement that imperialism's increased attempts at aggression in the present escalation of the international situation obligates both sides to deepen and consolidate friendly relations and to fight together to prevent a nuclear inferno.

Dr al-Khatib described the selfless action of the government and the people of Syria in warding off all attempts by American imperialism to escalate further the situation in the Middle East with the aid of the Israeli aggressors. He stressed that anti-imperialist policy is one of the things the Syrian Arab Republic and the GDR have in common.

The minister pointed to believers' and churches' commitment to work to maintain peace, for justice and social progress. In the worldwide anti-imperialist struggle they have a high level of responsibility.

Paul Verner explained the SED's policy following the 10th party congress, in particular the consistent support for the policy, conducted together with the Soviet Union and the other states of the socialist community, for preserving and securing peace in Europe and in the world. The GDR consistently supports peaceful coexistence between states with differing social systems and daily wages the struggle for peace. "The believers and the churches are with us in this." At present it is, above all, a case of giving maximum backing to the latest proposals of the Soviet Union. In the spirit of this jointly waged struggle Paul Verner wished the guests and all the people of Syria many fresh successes in their struggle for a just and comprehensive solution to the Middle East problem.

The talk was attended by the Syrian ambassador to the GDR, Faysal Summaq, the Syrian deputy minister of religious trusts, As-Siyufi, the state secretary for church affairs, Klaus Gysi, and the head of the SED Central Committee Church Affairs Department, Rudi Bellmann.

LANGE TALKS WITH KAMPUCHEAN PARTY DELEGATION

AU261238 East Berlin NEUES DEUTSCHLAND in German 22-23 May 82 p 2

[Text] Berlin (ADN) -- On Friday Inge Lange, Politburo candidate member and Central Committee secretary of the SED, received for a talk in the Central Committee building a study delegation of the Central Committee of the Kampuchea People's Revolutionary Party [KPRP] headed by Chey Saphon, KPRP Central Committee member and deputy head of the organization commission.

During the meeting which took place in a very cordial atmosphere, Inge Lange briefed the Kampuchean guests on the implementation of the decisions of the 10th SED Congress in the domestic and foreign political fields. Chey Saphon reported on the great progress of the KPRP and the Kampuchean people in universally strengthening the People's Republic of Kampuchea and discussed the steps for strengthening the KPRP as a leading political force of the country. There was an exchange of views on deepening the fraternal relations between the SED and KPRP.

During its visit of several days in the GDR the delegation had an opportunity to exchange experience with leading SED organs at the bezirk and kreis level.

KIRCHHOFF MEETS 'ARAFAT IN BEIRUT 20 MAY

AU251913 East Berlin NEUES DEUTSCHLAND in German 21 May 82 p 5

[Text] Beirut (ADN) -- On Thursday Yasir 'Arafat, chairman of the PLO Executive Committee, received Werner Kirchhoff, vice president of the National Council of the GDR National Front and SED Central Committee candidate member, in Beirut. During the friendly meeting the GDR politician conveyed cordial greetings from Erich Honecker, SED Central Committee general secretary and GDR State Council chairman, which were reciprocated as cordially by Yasir 'Arafat.

Werner Kirchhoff and Yasir 'Arafat conducted a comprehensive exchange of views on questions of topical developments in the Middle East. In this connection the chairman of the PLO Executive Committee referred in particular to the dangerous aggravation of the situation in the south of Lebanon in view of the massive troop concentrations of Tel Aviv in the border area and the repeated unveiled threats of the Israeli rulers against the Palestinian people and their revolution.

Werner Kirchhoff, chairman of the GDR friendship committee with the Palestinian people, reaffirmed the firm solidarity of the GDR with the just struggle of the Palestinian people under the leadership of their sole legitimate representative, the PLO, for implementing the inalienable rights of the Palestinian people, including their right to self-determination and founding their own independent state. A just solution of the Palestine issue is the basic prerequisite for the comprehensive settlement of the Middle East conflict in the interest of all peoples and states of the region in which all interested sides, including the PLO, must participate.

Yasir 'Arafat expressed thanks for the principled attitude and the continuous support of the GDR. He reaffirmed the close friendly relations between the Palestinian people and the people of the GDR which were further strengthened by his recent visit in the GDR.

On the same day the delegation of the GDR National Front led by Werner Kirchhoff met for a cordial talk with George Hawi, general secretary of the Central Committee of the Lebanese Communist Party.

The GDR politician was also received by Prime Minister Shafiq al-Wazzan. In the course of the friendly talk the head of government expressed his thanks for the solidarity of the GDR.

JOINT DECLARATION ISSUED ON AFRICAN SOLIDARITY

AU261105 East Berlin NEUES DEUTSCHLAND in German 24 May 82 p 2

[Declaration jointly issued by GDR social organizations on the African peoples anti-imperialist solidarity week to be held 24-30 May 1982]

[Text] On the occasion of the African peoples anti-imperialist struggle week to be held from 24 through 30 May 1982, the following GDR social organizations have issued a joint declaration: The GDR Solidarity Committee; the FDGB National Executive Committee; the FDJ Central Council; the Peasants Mutual Aid Association National Executive Committee; the Democratic Women's League National Executive Committee; the GDR Peace Council; the GDR Human Rights Committee and the GDR committee established for the week of struggle against racism and racial discrimination.

This declaration conveys sincere greetings of solidarity and friendship to all peoples on the African Continent, wishing them further successes and progress in their struggle for peace and social progress, as well as in their struggle against imperialism, colonialism, neocolonialism, racism and apartheid. In this just struggle the African peoples will be able to rely also in the future on the extensive support of our country's population. This support is based on the principles of proletarian internationalism and on the working people's class solidarity. The GDR's solidarity with the national and social liberation struggle of the African peoples represents a fundamental part of our foreign policy and is reflected in all the activities and thoughts of our citizens, the declaration points out.

Solidarity week is a new opportunity to assure the peoples of the People's Republic of Angola, of Socialist Ethiopia and of the People's Republic of Mozambique, as well as all other peoples who have chosen the socialist path of development, of our active solidarity and support.

In the name of humanitarianism, in the name of peace and security we forcefully denounce the adventurous policy of confrontation and intensified armament of the most reactionary U.S. and NATO member-state circles. This policy is accompanied by overt interference in the domestic affairs of other states and by constant attempts to decide peoples' destinies by force and dictate. These circles are even resolved to consider a nuclear disaster in the interest of maintaining their power.

We most severely denounce the policy of the South African racist regime, which is steadily committing overt and secret acts of aggression against the frontline states, such as the People's Republic of Angola and the People's Republic of Mozambique. We are against the attempts of the imperialist states to establish an aggressive military pact in the South Atlantic region and to establish a military base on the notorious convicts' Robben Island.

Our further active solidarity also applies to the people of Namibia who, under the leadership of their only legitimate representative, SWAPO [South-West African People's Organization], are waging a just struggle for their freedom and independence in their country, occupied by the racists of Pretoria. We demand the immediate implementation of Resolution No 435 adopted by the UN Security Council in connection with Namibia and we condemn the so-called contact group formed by Western states and their attempts to forcibly set up a neocolonialist settlement in Namibia.

We also declare our active solidarity with the African National Congress (ANC), the militant organization of the oppressed people of South Africa which for over 70 years has been waging a resolute struggle for the elimination of apartheid and against domination by a white minority.

We agree with the demands of worldwide democratic forces on the following points:

- Let us put an end to the apartheid regime!
- Let us put an end to collaboration with the South African regime!
- Let us implement the UN resolutions on Namibia!
- Let us implement effective sanctions against the South African regime!
- Freedom for Nelson Mandela and all other South African patriots who are imprisoned or forced to live in exile!

ADN REPORTS COMMUNIQUE ON TU TALKS WITH SYRIA

LD261646 East Berlin ADN International Service in German 1653 GMT 25 May 82

[Text] Berlin, 25 May (ADN) -- The trade union organizations of the GDR and Syria support the WFTU's activity to implement the decisions of the 10th WFTU Congress. They will further develop and deepen their bilateral relations. This is stated in a joint communique published at the end of the visit to the GDR by a delegation of the Executive Bureau of the Syrian General Federation of Labor Unions. The delegation, led by the federation president, 'Izz ad-Din an-Nasir, has been visiting the GDR since 19 May at the invitation of the FDGB and will end its visit tomorrow.

As a result of talks with an FDGB delegation led by the chairman of the FDGB National Executive Committee, Harry Tisch, a work protocol for further cooperation in 1982-83 was signed. 'Izz ad-Din an-Nasir invited an FDGB delegation to visit the Syrian Arab Republic.

HONECKER SENDS TELEGRAM TO ENRICO BERLINGUER

LD251110 East Berlin ADN International Service in German 0212 GMT 25 May 82

[Text] Berlin, 25 May (ADN) -- In a telegram to Enrico Berlinguer, secretary general of the Italian Communist Party, General Secretary of the SED Central Committee Erich Honecker underlines the SED's traditional ties of solidarity with the Italian communists' struggle in safeguarding peace and in defending and extending the democratic rights of the workers and social progress. The telegram also conveys warm congratulations to Enrico Berlinguer on his 60th birthday today, Tuesday.

The telegram also states among other things: "Our joint great responsibility today is to unite all efforts in order to thwart the course of imperialist confrontation and to support arms limitation and disarmament as a guarantee in the struggle for peace, national independence, democracy and socialism."

HONECKER SENDS MESSAGE TO ANGOLA'S DOS SANTOS

AB261656 Luanda ANGOP in French 1400 GMT 26 May 82

[Text] Luanda, 26 May (ANGOP) -- Jose Eduardo dos Santos, chairman of the Popular Movement for the Liberation of Angola [MPLA]-Labor Party and president of the People's Republic of Angola, has received a congratulatory message from Erich Honecker, general secretary of the SED Central Committee and chairman of the Council of State of the GDR on the occasion of Africa Liberation Day (25 May) which marks the founding of the OAU.

In his message Erich Honecker referred to the active contribution of member states of the OAU towards guaranteeing peace in the world and their pursuance of the detente procedure and international cooperation which, the message points out, is highly significant at present in view of current complications in the world situation and the serious dangers threatening the vital interests of the peoples of the world.

The GDR people, the message goes on to say, appreciate the gains made by the African people and states in their struggle for freedom and independence from colonialism, neocolonialism, racism, apartheid, underdevelopment, diseases, hunger and ignorance.

In his message the German statesman also expressed his high esteem for the great efforts being made by the African people to successfully build their countries in order to create a better future. In addition he referred to the Namibian question, the solution to which he said lies in the consequent application of UN Security Council Resolution 435 to enable the Namibian people to gain the right to self-determination.

Finally Erich Honecker said that the German people condemn the alliance between the most aggressive imperialist forces and the Pretoria regime which enables Pretoria to continue its acts of aggression and sowing seeds of terror. The message reaffirms that the GDR will always be on the side of the Namibian and South African peoples and their legitimate representatives, the South-West African Peoples Organization and the African National Congress.

STOPH GREETS ROMANIAN PRIME MINISTER 24 MAY

AU261051 East Berlin NEUES DEUTSCHLAND in German 24 May 82 p 2

[Text] Berlin (ADN) -- Willi Stoph, chairman of the GDR Council of Ministers, has sent a telegram of congratulations to Constantin Dascalescu, prime minister of the Socialist Republic of Romania, on the occasion of his election to this post. The telegram expresses the conviction that the friendly relations and the close cooperation between the GDR and the Socialist Republic of Romania will further develop and deepen in all fields.

HONECKER PLANS TO VISIT HUNGARY IN JUNE

LD251638 East Berlin ADN International Service in German 1601 GMT 25 May 82

[Text] Berlin, 25 May (ADN) -- A GDR party and government delegation will travel to the Hungarian People's Republic at the beginning of June on an official friendship visit. It will be headed by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State. The delegation has been invited by the MSZMP Central Committee and the Council of Ministers of the Hungarian People's Republic.

WEST BERLINER DETAINED FOR TRANSIT ABUSE

AU241738 East Berlin NEUES DEUTSCHLAND in German 19 May 82 p 2

[ADN report: "Transit Abuse Prevented"]

[Text] Berlin (ADN) -- On 16 May 1982 GDR security organs apprehended redhanded and detained (West) Berlin resident Uwe Sander at the GDR Staaken border crossing point. As an agent of a criminal gang he actively participated in subversive acts against the GDR. Investigative proceedings were initiated and an arrest warrant was issued. The Mercedes automobile with license No B-N 830 used for the crime was impounded.

MORE BIRTHDAY GREETINGS RECEIVED BY JANOS KADAR

From Leonid Brezhnev

LD261626 Budapest MTI in English 1015 GMT 26 May 82

[Text] Budapest, 26 May (MTI) -- Leonid Brezhnev has addressed the following letter to Janos Kadar, on occasion of his 70th birthday: "Dear Comrade Janos Kadar,

On behalf of the Central Committee of the Communist Party of the Soviet Union, every Soviet communist, I cordially greet you, the outstanding party and state leader of the Hungarian People's Republic, the well-known personality of the international communist and labour movement, on the occasion of your 70th birthday.

Your life has been indissolubly bound for more than half a century to the party of Hungarian communists, and the fight of the party for the prosperity of the working people, the victory of the Marxist-Leninist ideas. We are well acquainted with your activity carried out in the interest of safeguarding and strengthening the achievements of socialist revolution, developing the policy of the Hungarian Socialist Workers' Party and implementing this policy, as well as with those considerable successes which the Hungarian workers have achieved under the party's leadership in every field of socialist construction.

It is highly valued in the Soviet Union that you deal with the questions posed by life in a creative way. They esteem your consistency of principle, your internationalism and your steadfast commitment to the cause of the union of socialist states and the revolutionary movement of the world.

In our country, great respect surrounds your consistent activity realized in the interest of developing and strengthening the fraternal friendship of the Soviet and Hungarian peoples. Your merits are outstanding also in the fight which the countries of the socialist community carry on for preserving the lasting peace of our earth.

Dear Comrade Kadar,

I wish you with all my heart good health, further successes for your work carried out in the interest of the development of socialist Hungary, deepening the fraternal cooperation of our parties, countries and peoples."

MSZMP CC Praises Kadar

LD261520 Budapest MTI in English 1715 GMT 25 May 82

["HSWP CC's Letter of Felicitations" -- MTI headline]

[Text] Budapest, 25 May (MTI) -- [Passage indistinct] respect for the unselfish struggle, arduous work and historic achievements of our people obliges us to speak of the fights and achievements that are associated with your activity and your name in the minds of millions.

Our party have raised many true people and revolutionaries. During the nearly six and a half decades of its existence, the party have seen promisingly bright and hopelessly dark years. It have earned a place in the history of the worldwide struggle for the realization of socialism with the blood of martyrs and the sacrifice of heroes. You have been a member of our party for more than [word indistinct] years and have participated in its struggles. You have been an outstanding activist of the community of communists and have adhered to your principles through thick and thin.

You struggle during the difficult years of illegality as a true son of your class and people, and as a staunch exponent of social progress. You did the same after the liberation, when our people came into their historical own and became masters of the country, and created new life in the place of the ruins.

When in 1956 workers' power was endangered in this country, it was under your leadership that the party succeeded in restoring the trust and confidence of millions in socialism. That is how the quarter of a century behind us could become the most balanced and prosperous period of the history of our people. The people and the country found their feet. A crucial role was played in that by a consistent Marxist-Leninist policy, mindful of the working people and the country's conditions, by the sincere words and patient arguments, and that the words were in harmony with the actions. The defence of the workers' power and the assertion of the leading role of the working class coincided with the refinement of socialist democracy, the raising of the standard of living, the spread of culture and the ways of life attaining richer content.

You have been a consistent exponent of the view that our policies and plans can only be realized through the unity and joint effort of the whole people. All honest people can find their place, duty and happiness in this country, irrespective of their world outlook, religious conviction and mother tongue. The action programme of the building of socialism and the climate of confidence have released new energies in all strata of society, encouraged creative work and enlivened political, economic and intellectual life.

Confidence has produced its results and the results have in turn increased confidence. Our people embrace the unbroken and farsighted line of the party, which is always mindful of the realities. We have accomplished major tasks like the socialist reorganization of agriculture and the renewal of economic management and have set out to realize the goals defined in the party platform relying on the sound basis of consensus and growing national unity.

Today the words of our party carry weight, and the Hungarian People's Republic have a respect and a repute in the world. At long last in our history we have found true friends and allies in the Soviet Union and the other socialist countries. We profess solidarity and struggle side by side with the international forces of social progress and peace. Friend and foe alike know where we belong to and whither we go.

Distinguished Comrade Kadar.

The work you have done with a deep sense of responsibility has made a major contribution to our homeland's prosperity and our people's wellbeing. Your experience in politics and life is indispensable for all of us. We respect and appreciate your humaneness, your well-tested adherence to your principles, your practical sense, the richness and courage of your thoughts and the directive style which never regards position as a rank but a responsibility, and which never regards power as a goal but a service.

We greet in you a true revolutionary now on your birthday. On behalf of the party membership and our people we wish from the depth of our hearts that you work among and with us for a long time in good condition and health for our common goals, for our common future, for our socialist homeland.

KADAR ADDRESSES BIRTHDAY RECEPTION IN BUDAPEST

LD261020 Budapest Domestic Service in Hungarian 1630 GMT 25 May 82

[Text] The Central Committee of the Hungarian Socialist Workers' Party and the National Council of the Hungarian Patriotic People's Front [PPF] have given a reception in honor of Janos Kadar.

The reception was attended by members of the MSZMP Central Committee and the Central Control Commission, first secretaries of the party committees of the counties and the county-ranked cities, department heads of the Central Committee, and members of the government. Leaders of the social and mass organizations, associations of national minorities and Hungary's churches were also there. Old activists of the labor movement, workers excelling in production, personalities in the sciences and culture, and representatives of the youth and of the sportsmen were also present.

Pal Losonczi greeted the first secretary of the Central Committee and all those present.

[Begin Losonczi recording] Allow me, on behalf of the party Central Committee as well as of the PPF National Council, to greet with affection our dear guests on the occasion of their participation today in our reception held on the 70th birthday of Comrade Kadar. I greet with affection Comrade Kadar, who has just accepted our highest decoration, the "Hero of Socialist Work." I see by the applause that we all agree to the fact that we wish Comrade Kadar very good health on the occasion of his 70th birthday and further successes for his responsible work. [end recording]

At the reception in Parliament House Janos Kadar expressed his thanks for the good wishes with these words:

[Begin Kadar recording] Dear comrades, lady comrades, esteemed friends, I value highly the honor that on the occasion of my birthday the Central Committee has addressed a letter of greeting to me and that the Presidential Council has awarded me a high distinction. I am grateful also for the fact that the Central Committee and the PPF have organized this meeting, and I thank everyone who has honored me with his or her presence on this occasion.

And now for the more difficult part. Well, I have a fairly complex relationship with time. I have learned, in fact under the old regime, that one must be economical with time, but I have never counted the years. Either I did not have time, because I was occupied by work; or I had the time but I did not feel like it. So that on this occasion, too, I have a queer feeling sometimes when people say "You are 70 years old." I even turn round to see if they were talking to me. But it seems they are talking to me. It is officially written on paper. Well, if I may say something else, I am amazed myself that I have reached this 70th year, with all that my generation, without exception, has had to go through.

I am very grateful for the words of recognition that have been spoken about my work. Here, too, I would like to add to this what I have just said, that I, in consequence of the nature of the political work which I have been doing for a long time, have never worked alone. I have always worked with others. And as my work is being appreciated here, then I will take the opportunity to thank you, and personally to thank all those who in the past and also today have been helping my work.

And now if you will allow me, I will say a few words on another issue. You know that I, according to my political conviction and world outlook, am a communist, and have been for a long time, since I was a young man. Many of those who are present here are my comrades. I do not want to say too much to them especially on this occasion, because we meet frequently, but I remembered on my way here that in fact, even communism is not a pattern that shapes everyone to the same mould. I think that today people are meeting here who have things in common, regardless of their world outlook, party stance, calling. I think that our people today could be characterized by saying that people who are meeting here somehow live by looking beyond their own personal affairs. I can also say that perhaps what brought us together here today, well, on the pretext of my birthday, that we are all guided on our paths by the common concern and work for the fate of the working class, the peasantry, the intelligentsia, the working Hungarian people and the country for the prosperity of the nation. That is what I think. This is a good thing that we have met from such a wide area in our common cause.

From time to time, when necessary, we speak about work, about struggle, about the results of the work and the struggle, about the difficulties, about the problems, which have naturally always existed. I think that the work and the struggle are worth it. The efforts which we have made together in the last decades, and not a few decades, either; and here one meets many people who in the old regime also were united by the common concern -- the striving for the wellbeing of the people. We have achieved many fine results with our work and our struggle. There is a host of problems; not small problems but big problems. But it is worth thinking about the fact that the work and the struggle do reap results. And I can not say anything new here, but, beyond the material increase which the country and the country's people have attained since liberation, in fact, under very complex circumstances, with repeated recommencements, there are many great values in every kind of respect: in the sphere of culture and in the sphere of material means. But even so, even in the framework of this meeting today, I would like to emphasize that the greatest value which we have achieved is the unity, the coming together, the amalgamation which has united, here in our homeland, in the service of our people's cause, people of different party stands, different world outlooks, one might say the decent (?sufficiency) of society, so that a new world might be built with the understanding that our people should have a good, a better and a more secure future.

This national common agreement, this socialist understanding, which are connected with the (?solicitude for) the basic institutions of our socialist society, with their strengthening, their further expansion and consolidation, this is our greatest achievement, this common agreement, and this understanding. And on this occasion, I do not want to make any kind of speech here. I consider this to be the greatest result and achievement, and I appeal also on this occasion for the protection of this, because we have difficulties. We will not call on the people of the various competences here to stand up and tell us about the various difficulties today. We will cut it down a bit. But while this force functions, and it has increased in recent decades and has grown huge, this socialist national unity, understanding, every decent person can be included in this, perhaps is included in it, has found his or her own place in it. Let this continue. Let there exist the principled strength of our policy; let there exist this democratic feature of our policy: the striving for a common agreement in every issue; let there be in us openness, setting aside the accustomed moulds, and then we need not be afraid of the future. And neither need we fear for our people's future. We have our place in the world, we have allies, we have friends, we have partners in various parts of the world; and for this too we can thank the policy and the common agreement which we have attained, and let us take the greatest care of this. And then we can wrestle with the economic, cultural and other problems which daily life brings with it, and even with international affairs.

A person who works in a function like mine finds it very difficult to grasp the results of his work. It is not like a sculptor who creates a statue, (?looks at it and says: I have done this; I have finished with this. Or anyone else with his own creation, or a worker can count piece by piece what he has done that day. It is difficult to grasp our work. But this socialist national unity and the national common agreement, these can be felt on our skins, these exist, and let us guard them and strengthen them further.

And now, something about myself, about some personal matters, because perhaps it is filling to say a few words about these too.

Well, the way I am with these birthdays is that this is the third time that people have made a public affair out of it. The first time was 20 years ago, when I was extremely naive in these matters, and unaccustomed. Some colleagues of mine came to see me and said that it was going to be my birthday, that they wanted to mark it and what would I like. Well, I said, I would like to have a day off; I would like a day off on 26 May. Well, alright, I got it. I took the day off. And I thought that with that I had solved this whole issue of the birthday. But that is not how it turned out either.

In the service of the cause in which I believe, to use this expression, and which is my conviction, in this I was not influenced by any kind of rank or office. If there is a rank, there is a rank, if not, not. I will help even then according to my conviction, even then, always. You can take this into account, too. The other thing is that, well, even you say that I am 70 years old, so I suppose then that that is how old I am. And at such an age one does not change one's world outlook. Not often; it is a rare occurrence. So that my world outlook will remain the same. At such an age one does not change in one's methods, style, either. Well, as you know me and as I am, with rank and without rank, I would like to serve also in the future the cause that I have served my life through, on the basis of my own conviction and world outlook, and, with regard to the objective, for the prosperity of the Hungarian people.

I thank you once again for the honor, for your presence and the good wishes which I cordially reciprocate to all of you. [end recording]

PROTOCOL SIGNED ON SRV COOPERATION SESSION

LD262238 Budapest MTI in English 1727 GMT 26 May 82

[Text] Budapest, 26 May (MTI) -- The Hungarian-Vietnamese Economic and Technical-Scientific Cooperation Commission ended its work in Budapest on Wednesday. Janos Borbandi, deputy chairman of the Hungarian Council of Ministers, and Do Muoi, Vietnamese deputy prime minister, the co-chairmen of the commission, signed a protocol on the results and resolutions of the session.

At the session the sides reviewed the state of Hungarian-Vietnamese economic relations and stated: Economic cooperation between the two countries since the previous session has developed suitably and in harmony with the jointly envisaged targets.

It was pointed out at the session that further efforts are needed in the interest of satisfactorily preparing the realization of projects promoting the development of Vietnamese economy, as well as expanding goods exchange.

The commission evaluated the development of goods exchange in 1982 and determined the necessary tasks. An agreement was reached on modernizing the general delivery conditions, on concluding a marine and forwarding agreement. The competent authorities of the two countries will take the necessary steps in the interest of switching from bilateral clearing-accounting to many-sided transferable rouble-accounting.

The Vietnamese delegation is to leave Budapest on Thursday.

NEMETH MEETS AFGHAN WOMEN'S FEDERATION OFFICIAL

LD261452 Budapest Domestic Service in Hungarian 1300 GMT 26 May 82

[Text] In Budapest Karoly Nemeth, MSZMP Central Committee secretary and Politburo member has received the chairwoman of the Afghan Women's Federation who is in Hungary at the invitation of the Hungarian Women's Council. Karoly Nemeth told Anahita Ratebzad that the Hungarian party is in solidarity with the struggle the Afghan People's Democratic Party is waging for the realization of the objectives of the April Revolution for the improvement of the population's living conditions.

PROCEEDINGS AT 26 MAY SEJM PLENUM REPORTED

New Council of State Members

LD261810 Warsaw Domestic Service in Polish 1700 GMT 26 May 82

[Text] The Sejm has carried out some changes in the composition of the Council of State in connection with the resignation of Prof Jan Szczepanski and Wladyslaw Kruczek, and in connection with the proposal submitted by the Pax deputies club concerning the dismissal of Ryszard Reiff from the Council of State. The Sejm recalled Wladyslaw Kruczek from the Council of State with three votes against and four abstentions, and Ryszard Reiff with five abstentions. Deputy Jan Szczepanski had already been recalled from the Council of State in connection with his appointment as chairman of the Socioeconomic Council affiliated with the Sejm of the Polish People's Republic.

The chamber appointed the following to the Council of State: Stanislaw Kania with 17 votes against and 42 abstentions, Alfons Klafkowski with 1 abstention, and Kazimierz Morawski with 6 votes against and 60 abstentions.

On the proposal of the prime minister, the Sejm recalled Jerzy Kuberski from the post of minister and chief of the Office of Religious Affairs. He will fulfill a responsible state function in Rome as adviser and minister plenipotentiary and chief of the team for permanent working contacts with the Holy See. Adam Lopatka has been appointed to the post of chief of the Office of Religious Affairs.

Finance Minister's Report

LD261546 Warsaw PAP in English 1422 GMT 26 May 82

[Text] Warsaw, 26 May (PAP) -- The Polish Finance Minister Marian Krzak presented today at the Sejm (parliament) a report on the realization of the 1981 budget and the 1982 draft budget law - the first draft budget after the introduction of the economic reform, as he put it, stressing that the government's programme of economic stability, drawn up last year, had been only partially carried through following great difficulties resulting from social tensions.

He said that the budget law of July 1981 had provided for a deficit of 217 billion zlotys while, actually, it had amounted to 124 billion zlotys. The reduction of this deficit was possible owing to price increases for tobacco products, liquid fuels and spirits, as well as to the credit assistance from the Soviet Union.

Minister Krzak continued: "surpassed was the level of expenditures for social and cultural purposes. The expenditures for social security went up by half, with the spendings for medical care, education and other welfare programmes going up by more than one fourth and for municipal economy - by one fifth. All in all the increase in these expenditures came up to 90 billion zlotys which is the steepest rise in our economy."

Minister Krzak went on to say that the state budgetary incomes will come to the level of 2,250 billion zlotys. An overwhelming slice i.e. 97 per cent will come from the socialized economy.

These incomes, however, will not cover the indispensable budgetary expenditures which are estimated at 2,619 billion zlotys. The state is going to spend 294 billion zlotys or 11 per cent of all expenditures for administration, administration of justice, public security and national defence, so this draft budget is more than ever a social welfare one. It stipulates for a deficit of 368 billion zlotys or 14 per cent of all expenditure. That is, relatively, the same figure as last year, Minister Krzak said.

Price rises have not totally eliminated subsidies. The biggest subsidies, of 200,000 million zlotys, still go to food products. We will all continue to subsidize the production of coal and coke (some 65,000 million zlotys).

Metallurgical and cement industry are also unprofitable yet. The deficit recorded in transport services has markedly deepened, too.

We still continue to spend more than we are producing. This was evidenced by the deficit recorded in the Polish foreign trade, both as regards the socialist and capitalist countries. The fact of the imports exceeding the exports in the turnovers with socialist states reflects the assistance from these countries, and especially from the USSR.

Last year the delivery of goods from the socialist countries exceeded the Polish exports [word indistinct] by over 1.5 billion transferable roubles, i.e. by about 100 billion zlotys. This year the payment deficit resulting from trade turnovers will amount to 1.4 billion roubles.

Poland will be able to finance this deficit owing to the credits granted (?to it) chiefly by the USSR.

Poland's debt to socialist countries amounts to 3,100 million transferable roubles, not counting the convertible currency debt.

The greatest problems are posed by the payments situation in trade with capitalist countries. This year, the governments of creditor countries have suspended negotiations on the settlement of credit obligations. They have limited the possibilities of obtaining new credits and cut off a huge majority of the credit lines granted earlier. We have been faced with two adverse factors: a sharp halt in the flow of foreign credits and a drop in the export revenues. The processing industry, cut off from credits, has been deprived of many imported semi-finished goods, components and spare parts.

Though the export revenues in the past four months were showing a gradual growth they reached merely the level of 1,559 million dollars and were by 21 per cent lower than in the like period of 1981. It was possible to finance import spendings worth (?1,413) million dollars (52 per cent of last year's spendings). The surplus attained amounted to 146 million dollars.

At the end of April of this year, our debt in the capitalist currency amounted to 24,700 million dollars and has remained at that level thus far. Only 1,000 million dollars account for short-term debts.

Negotiations on the rescheduling of credit payments are necessary in the interest of both sides. The subordination of economic cooperation to political speculations does harm not only by the Polish society but also to our creditors. It is our good will to continue economic and financial cooperation. An expression of this was Poland's declaration of access to the International Monetary Fund. We are not afraid of any discussions concerning the improvement of our economy. Our partners should not, in their own interest, obstruct the process of (?constructive economic) reform.

One cannot approve of the high budget deficit. The government proposal is to draw from the socialized enterprises a stabilization loan and to increase the insurance rates.

The loan would be paid back over a period of three years, beginning from 1984.

It is impossible in the longer run to tolerate an unbalanced public insurance budget which runs a deficit of about 266,000 million zlotys. The increase in insurance rates should bring this year an additional income of about 30,000 million zlotys.

All these measures will not liquidate the deficit completely. However, we must bear in mind that the process of [word indistinct] the economy has only just begun. Transport enterprises are the ones which show the largest deficit at present. It would be desirable to raise transport rates and passenger fares. We also have to liquidate in the future the deficit in the production of raw materials which are quite heavily subsidized from the budget.

The government has launched a comprehensive savings programme to significantly reduce the administrative budget and expenses. The latter have been slashed by a third. It is also envisaged that the employment at ministries will be further diminished by 12 per cent and at various industrial group offices by 50 per cent. It will be also indispensable to take actions to economize on the budget's welfare programmes so as not to detract from their quality while eliminating waste.

More on Krzak Address

LD262252 Warsaw Domestic Service in Polish 1700 GMT 26 May 82

[Text] A report on the implementation of the state budget for last year and on the draft for the current year was submitted to the Sejm by Minister of Finance Marian Krzak. He stressed that the structure and dimensions of budget expenditure was influenced last year by negative phenomena in the form of wage increases without cover in production value, excessive investments during past years, difficulties in the balance of payments and anarchy in the economy.

Thanks to government efforts, last year's budget deficit estimated at Z217 billion has been reduced by nearly half. The most serious problem was the considerable excess of costs over revenue prevailing in enterprises last year. The bank financed their operations through loans. An additional, important issue of money was needed for this. At the same time, unprecedented dynamism has been achieved by budget expenditure for social and cultural purposes. The high level of expenditure, the minister of finance stressed, reflects the state's social policy, which despite the crisis is not restricting social assistance -- among other benefits -- to schools, hospitals, culture, etc. Minister Krzak said, however, that this cannot be extended without limit.

Next, the speaker presented the conditions in which this year's state budget took shape. Among other things he contended that the entire structure of the budget should take into consideration the price changes carried out, as well as the results of economic reform. The nominal budget increase amounts to about 78 percent. The deficit, amounting to Z368 billion, continues with all its negative consequences. The increase primarily affects expenditure for general social purposes and expenditure for the payment of compensations.

Minister Marian Krzak pointed to the different approaches of the socialist and capitalist countries to the crisis in Poland. The socialist countries, above all the Soviet Union, have given us substantial assistance in the form of loans to finance the payments deficit amounting to nearly 1.5 billion rubles. Our country's indebtedness to the socialist countries has reached more than 3 billion transfer rubles.

On the other hand, the Western countries have radically restricted the granting of new loans to Poland and have made the utilization of those granted earlier impossible. The economy, deprived of many imported components, is unable to carry out the export assumptions in this situation. On the other hand, it was possible to achieve a plus balance in turnover with the capitalist countries in the first 4 months of this year. However, the fundamental issue is the low level of trade with the capitalist countries, which makes import purchases impossible. The restricted credit possibilities demand that development be based to a greater degree on our own forces. The increase of budget revenue should be based mainly on thrift and rational management.

Continuing his report on the draft budget bill, the minister of finance also dealt with proposals to reduce the budget deficit and to balance the state balance sheet. One of the measures is to be a gradual restructuring of the fiscal system and, above all, adherence to the principle of equal rights and duties in this sphere for all sectors of the economy.

Changes are required in the fiscal system both in agriculture and in crafts. We will strive for equal income tax precepts for all sectors of economy. This will apply to the turnover tax and to the wages fund. We shall also have a reform of the taxation of private farming. The present land tax is too low. Income from this amounts to little over Z4 billion. This is a level identical with that of 20 years ago. It has no relation either to farmers' income or to the budget expenditure on farming.

We reject, however, the concept of overcoming the crisis at the expense of these (?three ministries). Summary actions are also indispensable in order to balance the deficit. For instance, the draft suggests launching a stabilization loan among enterprises of the socialised economy and increasing social insurance contributions. The loan would be repaid in the course of 3 years starting in 1984, and would carry higher interest than special purpose funds in enterprises.

The objective of this type of undertaking is to ensure for the budget the means to meet the expenditure connected with financing social needs.

Finally, minister Marian Krzak discussed the principles guiding the money economy. Here is an excerpt from his speech which we thought interesting.

[Begin Krzak Recording] Efforts to liquidate the deficit are among the steps to cure the financial economy which have been the subject of justified criticism many times during the Sejm debate, mainly by Deputy Osmanczyk. How can we cure this economy? There is no other way to cure the financial economy but to introduce and closely observe the rules which apply to the economy as a whole, and they are the following:

First, one can have monetary means at one's disposal only when one has earned them through work. Second, in a banking system one cannot pay out more credits than is possible, taking into account the means accumulated. Interest paid on credits cannot be lower than than for financial resources -- for example, for a savings' deposit. Third, money has to be more sought-after than commodities, whose value in dealings within sensible limits should exceed the proportions of financial means which citizens, enterprises and institutions want to assign for its purchase. Fourth, prices, which are a monetary expression of value, cannot be fixed below costs except for socially justified exceptions. They should express a balance between supply and demand. In a word, we have to implement many rules of monetary economy which have not been observed for years in the distributive system in force.

At present, while implementing the reform, we should introduce into the economy a financial system which will promote productivity and thrift and we should exploit it in a just distribution of the produced goods in accordance with the principle of justice: everybody according to his work contribution. With this principle one cannot break a system by fixing prices at a level which is lower than the prices of equilibrium, and if such a necessity exists let us use rationing lest we open the way to speculation. It is also forbidden to grant credits which no one can pay off or to lower interest if there are no means in the budget for the alleviation of interests. The citizen deputies will forgive me for recaling these fundamental principles but if we want to cure the money situation, let us create realistic conditions for a monetary economy and let us use them skillfully in accordance with those principles and not against them.

One of those principles is a balanced budget. Budget expenditures cannot be increased without increasing income in real terms. That is why I would like to refer here to a good parliamentary tradition which observes the rule that one cannot propose any additional expenses without at the same time showing their origin. And if it is impossible to show the sources of their financing, then proposals of that kind should not be considered.

Of course, if I am talking about monetary economy I believe that the system of circulating the money itself requires a number of improvements. We are working on that, too. But even if we were to issue the most beautiful banknotes and if we used a nominal scale which would be 10 or 100 times lower than the present one, and if we did not ensure their cover in the supply of goods and (?services), and if we did not apply appropriate prices and methods of remuneration, the same thing would happen to them as happened to the rationing coupons when they were issued for a larger quantity of goods than the quantity of goods available.

After all, money is the most universal bond invented by humanity and which also can be used in a socialist economy, especially in applying the principle of distribution according to work.

That is why when introducing the economic reform we shall ensure the conditions for a healthy monetary economy. In this we shall have to be consistent and we shall have to eliminate all that reduces the role of money as an indicator of work and value and as a means for a national disposal of goods.

Citizen deputies: The draft budget which has been presented today is connected with many difficult problems which are to be solved with work on the local and national scale. The draft budget bill creates the premises for strengthening the independence of people's councils for the range of their own incomes, and the range of their economic activities will be broadened. This will serve a better adaptation of the budget economy to local needs and a broadening of the possibilities of independently solving local problems.

The government's aim is to achieve a state in which the central budget and local budgets are budgets of economy which become stabilized. I believe the citizen deputies will share those strivings, and that during the course of the Sejm's work on the budget proposals will be submitted aimed at action, especially as far as achieving a balanced budget is concerned, and with regard to ensuring that in the budget there will be most appropriate proportions of state income and expenditure from the point of view of social needs.

With this conviction in mind, may it please the House, I propose that the draft budget be examined and subsequently approved so it may serve our economy and our public in a positive manner. [end recording]

Planning Chairman's Speech

LD261750 Warsaw Domestic Service in Polish 1507 GMT 26 May 82

[Text of speech by Zbigniew Madej, deputy chairman of the Polish Council of Ministers and chairman of the Council of Ministers Planning Commission, at the 26 May Sejm session -- recorded]

[Text] Citizen speaker: May it please the House. At the end of last October I had the honor from this dias on behalf of the government, to present to the House the initial assumptions of the plan for 1982. A characteristic of those assumptions was the so-called hope variant envisaging a turnabout in industrial production within the limits of 5 percent, the fear variant according to which there was to be a further drop in production by about 10 percent, and the middle variant envisaging a maintenance of production in 1982 at approximately the same level as that in 1981.

That was the plan, in its variants, which the Council of Ministers passed on 10 December of last year, taking the middle variant as the variant in force and the hope variant as the one desired. Much has happened since that time. Since the introduction of the state of martial law the government continued the main directions of economic policy and has carried out a determined reformation of economic mechanisms and improved the system of management. The program of activity concerning these matters was presented to the House by the chairman of the Council of Ministers on 25 January of this year. The progress of work in this sector is being systematically evaluated and made public.

In the sphere of planning, we have had, since the beginning of this year, the principle of quarterly planning, this being ascertained to be the best method in the given circumstances for the operative guidance of the development of the economy.

We acted in this way for the first and second quarters. Because law and order are gradually consolidating, the next plan envelops the whole second half of the current year. In accordance with the principle adopted, the quarterly plans and periodic information about economic results are being published.

The government will also (?commission) a future, longer-term projection. It is the program for overcoming the crisis and achieving economic stabilization reviewed by the esteemed House on 31 July of last year. In accordance with the powers contained in the program itself, the government has slightly modified the program's assumption and adapted it to the current capabilities and the current needs of the country.

Exactly such a modified program was reviewed on 29 April by the Council of Ministers, which instructed its realization to organs of economic administration and enterprises and instructed planning organs to include the intentions of this program in the many-year plans for the country's development. An updated version of the program for solving the crisis is also being prepared for Polish citizens.

At the eighth PZPR Central Committee plenary session, Army General Wojciech Jaruzelski presented the main work directions on the country's long-range development, formulating a triple horizon program. In the first horizon, which reaches to the end of the current year, the main task consists of halting the fall in economic development and creating bridgeheads for further development.

In the second horizon, which envelops the 3-year-plan in the year 1983-85, significant changes in the economic structure, consolidation of the economic reform, and stabilization of the material conditions of the working people will be introduced.

In the third horizon, which reaches to the year 1990, we should achieve equilibrium in the country's economic situation.

The Planning Commission, the ministries and other links of the economic administration are currently working on the preparation of future projects for all three time horizons. In the second half of the current year, the government will submit to the esteemed House a projected 3-year plan for the years 1983-85 and the forecast until the year 1990.

Today I would like to focus exclusively on economic matters of the current year. In Polish industry several trends have appeared. The most favorable is in the coal industry. Last December the average 24-hour hard coal extraction figure was a mere 420,000 tons. Since the beginning of the current year there has been a systematic increase in extraction. In April the average 24-hour extraction on a working day was more than 637,000 tons and on some days it even reached 650,000 tons. As a result of this, extraction for the past 4 months totaled more than 63 million tons and was 15 per cent higher than a year ago. This is a fact worth noting, because in our present situation it represents the first sign of economic revitalization and a sign of coming out of the crisis.

Mining work forces have once again done their bit in the difficult work of restoring the country's economy and the organizers of economic life in the coal industry have shown their reliable capabilities. Thanks to the increased coal extraction we have managed in our difficult situation to settle in a satisfactory way the three following economic problems:

First, to supply the power industry with coal and by doing so to fully meet the country's energy needs. Today, there are no cuts in electricity supplies. It is true in many branches of industry there is excessive consumption in relation to production needs, and it is worth considering this.

Second, [words indistinct] to supply transportation to the communal economy and also to considerably alleviate the difficulties in coal supplies to the rural market.

Third, it has been possible to earmark 7.39 million tons of coal for export, exceeding the planned supplies in both payments directions. The government intends to continue the current policy on mining. The principles of material incentives in force since last year will be maintained. The financial mechanisms will be improved in accordance with the assumptions of the reform. All these measures should promote the good trends apparent now in the coal industry. It is estimated therefore that over the whole year, hard coal extraction will amount to more than 180 million tons and will be higher than was expected last autumn, even in the most optimistic variant of the plan for 1982.

Revitalization of the economy has also occurred in other domestic raw materials industries, such as the extraction and processing of copper, zinc, lead, silver and sulfur.

Those industries started with a slight delay, in the wake so to speak of the coal industry. They are, however, increasing the dynamics of production month by month, offering the hope of rapidly making good the shortfall.

The average daily production of copper, having lifted itself from the lowest level of January this year, reveals average growth rates of 6-10 percent a month, and already exceeds the highest level obtained even in the best period of last year. The production of lead increased in April by 16 percent, and Zinc by 14 percent, and some improvement (?also) occurred in the exploitation and processing of timber. (?Another) task of these industries is to stimulate a further increase in extraction. The government will conduct a similar policy in these industries as it does in the coal industry.

In the other sector of our industry -- that is, in the processing industry -- the trends are more varied but nonetheless positive. In those branches of industry based on domestic raw materials and on deliveries from the socialist countries, symptoms of a revival have occurred. In some the level of production is already higher than last year. Successful production results are noted in the fruit and vegetable processing industry, the potato industry and the sugar industry, which result from the good harvests in agriculture last year.

Beginning from January this year, the average daily production of cement has grown from around 25,000 tons to 45,000 tons in April, and is slowly approaching the level of last year, as is the production of rolled products -- from around 20,000 tons daily in December last year to around 25,000 tons in January, and 27,000 tons in April.

The production of agricultural machinery and implements has increased over the first 4 months this year by around 25 percent compared with the corresponding period last year. The production of car batteries has increased by over 9 percent. The production of washing powders and soap has also increased, by over 12 percent, and pharmaceutical products by about 3 percent.

A very difficult situation has occurred in general in those branches of industry which depend to a large extent on imports from capitalist countries as these imports have been reduced in the last 4 months by more than 43 percent. A drop in imports of that kind has not been noted in our economy during the postwar period as a whole. There are shortages of many raw materials, chemicals and subassemblies which have been imported to date from capitalist countries.

On the whole in the 4 months of this year production by the processing industry -- yes, especially by the processing industry -- is approximately 13 percent lower than a year ago. However, because of the fact that there was also an increase in production by the extracting industry of up to 12 or so percent, the overall production of Polish industry as a whole is still lower, but only by 8 percent, than in a similar period last year. There is a tangible trend toward improvement from one month to the next. This is shown by the fact that in January we were short by 13 percent of reaching the level of January last year, by 11 percent in March, and by 7.5 percent in April.

In order to alleviate the negative effects of the drop in imports from capitalist countries, the government has indicated two main directions of activities. The first direction concerns foreign trade where it has been decided to adopt a trend toward the development of links with socialist countries. As a result of state visits at the highest levels, assurance has been obtained for deliveries of additional raw and other materials for the fuller utilization of the production capacity of our industry and concerning the participation of other socialist countries in the continuation of those investments which are of interest to our partners.

Aid which has come soonest and which has been most needed has been granted to us by the Soviet Union. An acceleration of deliveries from other socialist countries has taken place recently, too, so we can state that in 4 months imports of raw and other materials and market goods from socialist countries have been carried out ahead of time. We will pursue efforts aimed at consolidating this line of activities throughout this year.

The second direction concerns replacing imported raw materials with raw materials of domestic origin. The work in this sphere is being carried out in the following industries: chemical, engineering, metal, mineral and in the industry of construction materials. We have already achieved preliminary results. In the ministries of the metal and engineering industries the program of eliminating imported materials covering more than 2,300 items is being implemented. This ought to reduce hard currency expenditure by approximately 12 percent as compared with the original plans.

In the chemical industry the attempts aimed at replacing imported oils for the production of (?technical) materials of various sorts by domestic raw materials have been satisfactory. So were also the attempts at the utilization of materials and components of domestic origin in tire production.

The problems which have been presented here have been exposed to a special check carried out by military engineering troops which during the period 10-15 May evaluated 60 factories of metal and engineering industries and 40 factories of chemical and light industries.

The shift of attention precisely to the control of practical activity is one of the characteristics of the government's work in the last period.

May it please the House. The next sphere of our economy which I would like to bring to the attention of the citizen deputies is agriculture. Here also various kinds of tendencies appear which should be clearly differentiated if we want to implement an effective agricultural policy. Let us remember the first basic truth that agriculture is showing signs of reviving as quickly as the mining industry. Good harvests of grain and fodder last year have resulted in some improvement in breeding. According to April statistics, the number of cattle is higher by 240,000 head, that is, by more than 2 percent over the first quarter of last year. The number of pigs is higher by more than 1 million. This represents a growth of approximately 5 percent.

Against this backdrop questions of why the procurement of agricultural produce is still unsatisfactory must arise. Let us look more deeply into this matter to get closer to the truth about agriculture. Figures show that the procurement of milk and eggs remains at a level similar to that of last year. In some voivodships the supply of eggs even exceeds demand. Because of this the dairy market may be assessed as (?satisfying) the market in view of our crisis requirements.

On the other hand, the procurement of livestock is worse than last year. During 4 months of the current year it was lower by 11 percent, and in April -- it was 20 percent lower. This is happening because young animals predominate in our livestock. In any case, in May a certain improvement in procurement appeared, but this could be a sign of getting rid of livestock because of exhaustion of fodder reserves.

The procurement of poultry has also decreased because of limitation of breeding caused by the stopping of corn imports from the United States.

The troublesome procurement of grain crops deserves separate treatment. It is true that since July last year until the end of April this year 2.3 million tons of grain crops less, that is about 14 per cent less compared with the appropriate period of last year, were procured.

At the same time there is no doubt that every additional ton of grain is necessary, because we are facing the question of how to ensure continuity of bread supplies until the new harvest. But we should know that the import of grain crops and fodder in the 1981-82 economic year is about 30 percent less than the previous year. And the number of livestock is 5 percent higher.

To summarize, from our harvest and from imports in the current year we have about 1 million tons of grain crops fodder less than a year ago, and about 1 million (?head of livestock more. This additional 1 million livestock has to be fed. And even though it is true that keeping grain as a capital investment does occur, and that that is highly reprehensible from the social and citizen point of view, it is not those occurrences that decide the tense grain balance in Poland.

Before agriculture and before the whole food industry the question arises of how to ensure a sufficiency of bread and meat in the second half-year and in the following years. To maintain the current level of consumption it would be necessary to collect from our own fields about 20 million tons of grain crops -- the same as last year -- and to import a minimum of 5 million tons. We are relying on that some countries will maintain the many-year-long grain credit agreement, as they did in the current year. Thanks to this we could purchase from outside (?1.82) million tons of grain crops. However, the question remains: Where to get the lacking funds for about 3 million tons? If this purchase financed by (?additional) income from our industrial export, there will be enough hard currency for a minimal import of rubber, hides and chemicals. But the processing industry will again not be working at full strength: there will be no shoes, no tires for cars, no paints or varnishes. If, on the other hand, the hard currency funds are assigned for import of raw materials for the processing industry, and no grain on credit is imported, it will be necessary to procure more grain within the country and assign it for bread, even if this limits the breeding program. Because probably nobody would deny that in the choice between bread or meat one should opt for the bread.

I am presenting this dilemma to the esteemed house in all frankness and I nurture the hope that the deputies' debate will favor its solution. The government prefers the import of materials and components for the processing industry, but it is also concerned about feeding.

Before agriculture and the food industry, the task of self-sufficiency understood as the achievement of balanced trade in the foreign turnover of agricultural produce, has arisen in full sharpness. Several years will be necessary for this. But already today activity in the three following directions is imperative. First, a decisive course for a growth in grain crop production. Second, a preference for breeding cows, especially milk cows. Third, a change in the structure of fodder in favor of nongrain components.

Citizen deputies. I would like now to move to new targets on the economic map of the country, to the internal market. A characteristic feature of our still weak market is the comparatively sufficient situation with regard to food, and a completely bad market with regard to industrial goods. With difficulty we maintain a regular supply of the market with bread, milk, butter and cheese; it is a little better with the supply of eggs. Also, within the framework of the coupon system, there is a full supply of meat and meat products. The situation in the vegetables and fruit market is also not too bad, although their prices have grown significantly. To summarize, today's market of foodstuffs, in comparison with the market in the last months of last year and even in January this year, should be appraised as more correct, in other words -- calmer. This has been achieved thanks to good harvests last year and the regulation of retail prices carried out at the beginning of February this year. The great effort of the trade employees, especially in tidying up the coupon system, should also be stressed as should the removal of disturbances and social tensions which seriously hampered efficient activity of the domestic market last year.

The government's main concern is to retain the present level of the food market until the end of the current year. I put the stress on retaining the present level, because considering our conditions, there is something to defend already.

On the other hand, on the industrial goods market there are very noticeable gaps, especially in the area of footwear and clothing for adults, (?women's clothing) and household products. Improvement has appeared in some cosmetic goods and in goods for children and young people. Small-scale manufacturing is performing its task well.

We are fully aware that the most acute problem is the lack of footwear, and that is why the government has prepared appropriate means to ensure a growth in the procurement of hides, an increase in the processing capacity of tanneries, and has assigned additional hard currency means for the import of raw materials for the means for the import of raw materials for the footwear industry.

As a result of this, the additional production of shoes in the second half of this year should amount to 6 million pair of leather and plastic shoes, and 5 million pairs of rubber footwear; that is approximately 10 percent more than envisaged in the current years' plan.

When dealing with the market situation we should note that in March and April the pace of the increase expenditure was more rapid than the pace of the increase of revenue. This means that people are using their monetary reserves in order to satisfy their current needs. This is a completely new phenomenon unknown for years in our economy. However, there is an emergence of the first symptoms, or should I say chances, for a gradual restoration of market equilibrium.

At the same time it is true to say that this is happening in conditions when -- according to the chief statistical office -- in the first quarter, compared with last year, price increases ranged from 40-250 percent, while the incomes of the population have gone up by approximately 50 percent. As a result their real income has dropped. They are estimated to have dropped by about 23 percent.

This is why we have an association of ideas in which it is said that allegedly the fall of living standards is the price of economic reform, when in fact it is the price of inadequate production and low productivity. Market laws say that if there are no goods, prices go up or lines get longer. The objective of the government is not the achievement of a market equilibrium by high prices and a low supply of goods. The increase in prices, if they occur is to stimulate increased output. That is why we counteract and will continue to counteract any monopolist ambitions of some enterprises. We are doing so mainly through the state control of prices and taxes, as well as through the guidance of the pool of centrally distributed means.

We also count on the increasing part played by the social control of prices, above all, the effective action of the price commissions in industrial enterprises. The line for achieving market equilibrium provides an historic opportunity for our economy and the main yardstick for measuring the prudence of the government. We are fully aware of this and that is why we are stimulating increased production of market [word indistinct] and services. In conjunction with this we will conduct a very cautious policy in the sphere of the population's income.

Wage increase depends only on the results of the work done by enterprises and can be given provided that workforce have really earned them. State expenditure on pensions, annuities and other benefits must also be geared to the country's economic situation. The government will provide social protection for those most in need and concerning most urgent material needs. Other needs should be put off until better times. In similar situations, life has for centuries fixed a similar hierarchy of goals. (?Primum vivere), [word indistinct] (?filosofare): First live, then philosophize.

Citizen deputies, time and time again the question is asked as to whether the modest investment outlays do not threaten the decapitalization of our national assets; on the other hand, pressures come in from various social groups for pay raises, for increased benefits. It is hard to reconcile these two trends. In the national economy as with the domestic economy when assets are earmarked for consumption, then there is no investment. Only credit can temporarily solve this dilemma, but we do not want it, nor can we calculate the bill. The share of net investments in the national income distributed in 1982, counting in the old prices, amounts to about 8.5-9 percent. We should not go below this amount if we are not to bring about the threat of decapitalization. The rest are all frozen investments, whose proper management is one of the greatest problems of our economy.

The government has made an exact evaluation of this problem and has a programme for managing frozen investments. To define the extent of the problem I want to remind citizen deputies, that taken together there are 1,400 such investments, on which a sum has been spent, a sum approximately the same as is intended to be spent on continued investments in 1982. Almost 60 percent of those investments are small, not exceeding 250 million. They will be dealt with directly by voivodship offices, cooperative unions and other institutions. Of the remaining investments, counted into the central plan, 440 are envisaged for further continuation according to their initial purpose. They will be commissioned successively, beginning with 1983. Only 74 are envisaged for a change in profile and 116 for a complete halt.

The government has also evaluated the reserves of machinery and equipment. Out of its overall value amounting to 267 billion, more than half goes to projects now being realized such as the chemical plant in Police, Ursus, and the Belchatow power station. It will reduce as progress is made in these projects. The remaining plant, amounting in value to some 230 billion forms part of the frozen investments.

The government has made efforts in commissioning frozen projects by utilizing the cooperation of the socialist countries. In the course of the past few weeks each of these countries has received from Poland a three-part proposal. First, a list of enterprises with free production capacity; second, a list of frozen investments offered for joint continuation; and third, a list of machinery and plant envisaged for sale. Cooperation is most advanced in the first group. We expect that by the middle of this year, we will make genuine progress as regards the joint continuation of investments.

In the development of cooperation with the socialist countries, primarily with the Soviet Union, we benefit from low interest loans, which in view of the difficult situation will be repaid at a later date. This is at present one of the key issues for our economy and one of the more essential forms of assistance for the development of Polish industry.

Citizen deputies; the next problem is Poland's debts to the capitalist countries. Let me point out that we have repaid the negotiated part of capital installments for the year 1981, despite enormous difficulties. We did this by the end of the first quarter of 1982. For the current year, repayments of \$7.2 billion of capital instalments and \$3.2 billion of interest are due. We estimate our export currency for this year to be less than \$6 billion. Thus, at present there is no possibility of us paying these instalments. But, similarly to last year, we are prepared to hold talks with the creditors. However, the difficulty is that the governments of the capitalist creditor countries -- which are interested in over \$3 billion of repayments and capital instalments -- do not undertake any talks with Poland. The situation concerning private banks is different.

We are determined to break this deadlock. We have a number of alternative proposals which we are ready to prepare, jointly, in a partnership manner with representatives of our creditors, or to present to them independently our stance on the negotiations.

We will continue talks with the private banks, but we are also ready for talks with representatives of creditor governments. At the same time we will be defending our interests, which is obvious, and should find the understanding of our partners. However, representatives of certain capitalist states undertake political pressure, making more difficult our return to exporting coal to the traditional sales markets. This is one of the forms of economic sanctions against our country, which makes [words indistinct] both our internal development and a sensible solution of the indebtedness question.

May it please the House. In order to cope with the challenge facing our nation, our economy, we must integrate our thoughts and aims, proclaim and apply the principle of good work, and we must win for the propagation of socialist positivism. This is not an ad hoc philosophy spirited up, as a substitute for the stormy and cloudy days of last year. The philosophy of honest work and effective action is an authentic need which reaches the very roots of our reality.

It has been waiting for years for its exponents; for years it has been demanding realization, and for years it has been pushed to one side by legends and historical myths, and lately by the bearers of delusive hopes for a second Japan, by those who have been and are counting on gifts from abroad. Flex your (?muscles), roll up your sleeves, stand on your own two feet -- this is the only recipe to improve the Polish nation's existence. Here is the modern standard of patriotism.

The crisis has issued a challenge to the whole intelligentsia. Serious tasks have emerged before the world of technology. Industry has no means for import; therefore it expects national materials and economic technologies. It expects them now, from this moment, for tomorrow. Technical sciences must introduce whole new generations of (?supplies) into our economy. And this is not dreaming on my part. It is not dreaming but a hard demand of life. We will not resolve the housing question in Poland if we are not capable of constructing half as many apartments again as we do now. And because a principle has been adopted of devoting 30 percent of investment funds in the economy to apartment construction, such an achievement will only be possible when we can construct them more quickly and cheaper.

We will not resolve the transportation problem in the country if, in the next decade, the use of fuels per transport unit does not fall similarly as was achieved in the seventies in other countries. Polish industry, throughout the next 10 years, cannot use even a ton more coal than now. Industrial production growth must be based exclusively on the coal saved. We expect that scientists and engineers will undertake theses on greater utilization of coal, improved coal extraction methods and on modern technological processes.

What is the entire economic reform, if not a great innovation of social and economic life, one of the significant stages on the road of the historical development of our country.

Regarding the great role of technological progress, we have already become accustomed, to an extent, whereby nobody asks whether it is necessary -- particularly when there is a shortage of fuel, chemicals, or (?coal). On the other hand, questions now arise: Is the reform needed, or, are there the conditions for its implementation? These questions are asked precisely when the deficit of innovations in the sphere of management is equally as acute as the shortages of many raw and other materials.

The government has adopted an unequivocal and resolute course toward reform. At present, the center of gravity has already moved, from conceptual-preparatory and legislative work, to their practical implementation. It is necessary to prepare ourselves for a great effort in the next 2-3 years. This is a difficult process, for the material itself is complex, and resistance from old habits is also great. But we (?believe) in management. Or, more precisely, the younger generations in the system of management are just as essential for the further development of the country as the new generations in (?production).

May it please the house. Martial law, by its very nature, is accompanied by a number of characteristic rigors. These rigors are being systematically alleviated. It is an immeasurably regrettable fact that in the first 10 days of May these freedoms were exploited by forces hostile to public harmony. It must be stressed with all force that in the final analysis martial law in Poland has brought positive results to the economy; things which have been transposed from military setups to the economic sphere under no circumstances can be reduced -- as some people think -- to a demonstration of strength.

Quite different qualities have come to the foreground: harmony, order, discipline, and the prestige of the military setups -- namely, that which after a dozen or so months of chaos and destructive activity by the opposition forces, was most lacking in our economy. The secret of the specific nature of martial law in Poland also rests in the fact that such a weapon is accompanied by a return to good management. (?Thus) we shall restore to the economy its normal rhythm. This cannot be done without sweat and sacrifices. Nor will we succeed in doing it from the side, imperceptibly. We must get into step with it, and emerge victorious.

Thank you for your attention.

Bills on Ex-Servicemen, Bar

LD261830 Warsaw Domestic Service in Polish 1500 GMT 26 May 82

[Excerpts] After a break, the Sejm resumed its debate at 1600. It began with voting on the bill on the Office for Ex-Servicemen's Affairs. The bill was passed unanimously.

Deputy-rapporteur Adam Lopatka then presented to the Sejm the deputies' bill on the bar. As noted by professor Adam Lopatka, the bill broadly implements the intent to increase self-management of the bar, including a new organ, the national bar congress. The standing of the bar is raised by the regulation which envisages that the Supreme Bar Council will make an annual report to the Council of State on the activity of the bar. This will bring the bar's position closer to the position in the system of government of the prosecutor-general of the Polish People's Republic.

Penal Law Amendments

LD261840 Warsaw Domestic Service in Polish 1600 GMT 26 May 82

[Excerpts] The Sejm has debated the draft bill on the bar. At this stage of the debate a speech was made by Justice Minister Sylwester Zawadzki. The Sejm passed the bill on the bar with nine abstentions.

The next item was the report on government draft bills amending certain stipulations of the penal law, the law on offences, and the executive penal code. The report was submitted by Deputy Maria Kuczevska. This was followed by a vote. The bills were passed with 2 votes against and 11 abstentions.

Sejm Session Closes

LD261756 Warsaw Domestic Television Service in Polish 1730 GMT 26 May 82

[Excerpt] The Sejm plenary session ended almost half an hour ago.

AFP REPORTS WALESA MOVED TO NEW DETENTION CENTER

NC271339 Paris AFP in English 1257 GMT 27 May 82

[Text] Warsaw, 27 May (AFP) -- Jailed trade union leader Lech Walesa has been transferred to a new detention center, a government spokesman said here today. Spokesman Jerzy Urban refused to say where Mr Walesa had been sent, but a reliable source said the new site was in southeastern Poland. Mr Urban told a news conference that Mr Walesa's transfer was ordered with a view to improving his conditions of detention and that the Solidarity leader had already had visits from foreigners and priests at the new site.

Following the proclamation of a state of emergency on December 13, Mr Walesa was interned at a government property at Otwock, some 30 kms (18 miles) south of Warsaw.

Mr Walesa's wife Danuta, questioned by telephone at her home in Gdansk, said she had not been informed of the transfer. Mrs Walesa last saw her husband May 10. Mr Urban said Mr Walesa had seen his wife six times and his children some of those times. He had spent a total of 21 days with family members, Mr Urban added.

U.S. SEEN FILLING POLISH VACUUM IN COAL EXPORTS

AU251757 Warsaw TRYBUNA LUDU in Polish 22-23 May 82 p 8

[T.P. commentary: "The United States Wants To Take Poland's Place"]

[Text] I suppose it is worth reminding readers why the extraction and export of coal has decreased in the nearly 2 years since Poland seemed to be becoming a "state of anarchy."

Let us consider the opinion of the journalist who wrote in the 11 May INTERNATIONAL HERALD TRIBUNE: "Both the production and export of coal fell by around 11 million tons in 1980 when Solidarity arose as a result of the strikes on the Baltic coast. In 1981 coal production fell to 163 million tons, and exports to 15 million."

We read further: "There is no doubt that the 5-day work week which the union won during talks with the government in September 1980 and which came into effect on 1 January 1981 caused the sudden drop in coal production."

Other coal exporters quickly began to fill the gap created by the decrease in Polish coal exports. This is the way the INTERNATIONAL HERALD TRIBUNE puts it: "American, Australian, British and South African coal exporters reaped the benefits of the economic crisis in Poland and considerably increased their exports at Poland's expense."

And he makes the characteristic comment: "The United States was the country that has benefited the most. In 1981 American coal exports went up by 70 percent compared with 1979, reaching a level of 100 million tons."

The U.S. secretary of commerce said recently that the Americans aim to step up coal exports to Western Europe and supersede deliveries from Poland. An American Government-industrial delegation is proceeding to Spain, France, Italy and Belgium for exactly this purpose.

So here we are concerned with a rare yet selfish piece of hypocrisy. Washington calls on its allied capitals to apply economic sanctions against Poland, but at the same time reaps certain material advantages from it.

All right. Only why say so much about the alleged "defense of freedom and democracy" in Poland?

MINISTER NOTES INCREASED MARKET STABILITY

LD250930 Warsaw PAP in English 0813 GMT 25 May 82

[From the Press Review]

[Text] Warsaw, 25 May (PAP) -- "Despite the existing limitations, perturbations and shortages, a certain measure of stability has begun to characterize the consumer market," minister for prices, Professor Zdzislaw Krasinski told TRYBUNA LUDU today.

"This is because higher prices, introduced earlier this year, are making people thrifty. We are witnessing attempts on the part of consumers to adapt to the new realities.

The minister admitted that some families may now find it very difficult to make ends meet, which is evidenced by the fact that meat sales have been running below monthly quotas allowed by the rationing scheme. "These are not mass-scale trends, however," Professor Krasinski stated, adding that "the poorest families must be helped with additional compensation targeted exactly at them."

"Caution is necessary in this respect," he warned because any bigger inflow of money to the market can destroy the budding market balance observed recently.

"It was only in March that consumer spending began to approach current earnings. But let us remember that the inflationary overhang inherited from past years is still with us. According to data from the Narodowy Bank Polski, savings and money reserves held by the population totalled 1,222 billion zlotys in April and they keep growing. We must be careful, therefore, not to let an excess of money over available goods ruin the consumer market again," the minister stressed.

ECONOMIST VIEWS CRISIS, SCENARIOS FOR SOLUTION

AU261640 Warsaw POLITYKA in Polish 22 May 82 p 4

[Speech by Prof Mieczyslaw Nasilowski, economist, worker of the main school of planning and statistics, and member of the Consultative Economic Council Presidium, at the first plenum of the council: "Two Possible Scenarios" -- date and place not given]

[Excerpts] We can illustrate the extent of our mounting economic difficulties and the range of the problems to be solved in the immediate future by the following 12 items:

-- The present industrial potential, whose structure gives priority to producing production goods, is used only to 60 percent of its actual production capacity.

-- The enormous freezing of investment resources in projects that we are unable to continue in the next few years. We have to completely abandon many projects that have been begun, because their production setup is out of tune with the new structure of our aims and because we have no money to complete them.

-- Excessive employment to fit in with the full production capacity of factories and the command-directive system of planning and management.

-- The lack of many production components supplied by the second payment area [the West] in the form of raw and other materials, tools, machinery, installations, spare parts and so on.

-- The country's debts exceed many times over the admissible limits allowed by the cost of back payments and interest. Such limits amount to 25-30 percent of the value of exports to the second payment area.

-- The lack of possibilities to pay back the interest on loans at least until 1986, and the lack of any possibility at all to pay back loan installments before 1990.

-- A profoundly unbalanced market, not only because of rapid increases in the population's cash incomes, but primarily because of the further slump in the national income resulting from shrinking imports of materials from the second payment area.

-- A crucial weakening of the economic bond between towns and villages, mainly caused by the restricted supply of production means to farmers.

-- The increasing deficit in many enterprises because of increased production costs and the nonrational structure of selling prices and market prices, which compels us to expand the range of budgetary subsidies, which are the greatest danger to the principle of enterprises' self-financing and thus to the complete implementation of the systemic reform.

-- A serious deficit in the state budget, which threatens to set in motion the dangerous spiral of price and wage increases.

-- The wage structure, which has been vitiated by the system of compensations, does not correspond to the qualifications and effectiveness of human labor. Given the present market supplies and the food rationing, this has destroyed every system of workers' material incentives.

-- The suspension of workers self-management bodies makes it impossible to implement the systemic reform because the planned economic-fiscal mechanisms of enterprises make this reform a self-management reform.

Commentary

Imports of materials constitute the element that determines the solution of all the aforementioned problems, because such imports make it possible to increase production, to better exploit the production potential and manpower, to ensure that market equilibrium and the town-village bonds can be restored in the most gentle manner, and thus to make it possible to follow a more correct policy of prices and wages to satisfy the requirements of the self-financing enterprises.

At the beginning of 1982 we became fully insolvent, to put it mildly, and, our creditors lost their faith in our payment ability for the next few years, which means that we cannot obtain further loans. Paying back interest of \$3 billion a year and the absence of new loans would be found to result within a brief period of time in a violent restriction of imports and thus in a further slump in production. That is why we must stop paying the interest on our loans so we can get our second wind for the immediate period, which is the most difficult one, continue to negotiate on financing the servicing costs of our debts, and leave it to our creditors to proclaim that we are insolvent. A decision to this effect can be proclaimed, but not necessarily, because instead of risking a trade war, which could gradually spread to the entire socialist system, our creditors may decide to try to save our exports in order to recover their capital in the future.

The balancing of our economy at the level determined by the opportunities to import, mainly from the second payment area, can be done by various methods: By the command directive method and by the economic method -- that is, by activating, despite the exceptionally unfavorable conditions, all the mechanisms provided for in the planned reform. These are two probable scenarios, the alternatives of the action program. Let us examine the probable consequences of each.

Command Mechanism

There is a real danger that the authorities will resort in this exceptionally difficult situation to administrative methods, which are closer to their nature; to the mentality of the leading cadre, not only at the central level; to this cadre's qualifications; and primarily to the more than 30 year old tradition of the "tested" activity that guarantees complete control over and the subordination of socioeconomic processes. The correct idea of a limited number of so-called operational programs is turning rapidly into the command-directive system. Despite the best wishes on the part of the central planning apparatus, it is impossible within the traditional system to carry out a rational distribution of resources among the competing commitments. The lack of economic criteria and mechanisms is inevitably producing grassroots pressures, an excess of priorities, excessively correct aims, the dispersal of resources, shortages, filling the gaps by the method of frontal attack and so on. In a word, we have total economic voluntarism, which has often proved itself, and all the familiar consequences for the effectiveness of economic management.

You can argue that we do not need a momentous economic reform within the extracting industry because miners work under military discipline and coal production is increasing rapidly. However, production in excess of the plan is possible not only at the price of violating the permissible wage limits (miners are now earning on the average almost 3 times as much as industrial workers), but also at the price of the wasteful exploitation of the deposits that are most accessible. Such an economy must necessarily result in an enormous waste of raw materials, which will tell in the future. Now everyone wants spectacular successes for today and in his own sector, no matter how much all of us would have to pay for them tomorrow.

The second danger may be represented by the one-sided attempt to reduce our national economy's dependence on imports from the second payment area through excessive efforts to achieve self-sufficiency. Such efforts seem fully justified if we want to replace grain and fodder imports with our own production. As Prof A. Wos and other people pointed out in ZYCIE GOSPODARCZE, that program is feasible in the long run only and requires very large funds. On the other hand, what is possible within a short period of time is to somewhat increase production and, above all, reduce waste, improve storage, rationally use raw agricultural materials and so on. The excessively expanded imports in the past of various products without economic justification can and should be replaced by domestic production. However, withdrawing from the international division of labor and returning to the autarkic policy of the fifties would be a short-term activity, one which would cut us off from Western technology. That would be a costly, capital-consuming and energy-consuming policy, one that would not ensure high quality production and make it possible for us to return to the international markets.

A dangerous illusion is waxing that it is possible to fully replace cooperation and trade with the West, which were developed in the seventies, with a more extensive cooperation with the CEMA countries. I do not question the desirability of further expanding that cooperation and I appreciate the significance of the help given us by the USSR in this difficult period, but realistic economic thinking produces the conclusion that CEMA countries are unable to give us help whose structure and range would compensate us for the missing loans from the West. The economic structures of CEMA countries are similar to a great extent -- that is, they are more competitive than complementary in their characters. Their help may be more effective in producing production means than in producing consumer goods, which does not satisfy the most urgent structure of our aims. In addition, the dynamics of those countries' development is clearly weakening, the effectiveness of their economic management is low and their per capita indebtedness (except for the USSR) approximates ours. The growing difficulties with the balance of payments of the countries of people's democracy make it impossible in practice to finance Polish imports on a larger scale. Such funds will have to be supplied by the Soviet Union in the next few years, which will greatly increase our indebtedness and will make it necessary for us to pay off such debts within 11-20 years. Probably as early as in the second half of the eighties we will be forced to gradually achieve a positive balance of payments with the USSR, which will reduce our income to be divided and will affect the future level of consumption. The conditions of Soviet loans will be certainly more advantageous compared with the West and the opportunities to pay them back will be easier, primarily because of lower requirements of the Soviet market. This will reduce the pressure toward modernization of the production apparatus and toward the quality and modern character of production itself, but will increase the tendency to standardize the methods of planning and management.

Action by traditional administrative methods will create no opportunities for activating extensive grassroots initiative, for exploiting production reserves and for increasing the consumption of the community. People will not let themselves be encouraged by promises that some day things will be better and they will have more to consume, because they see that they are still not masters of their destinies. The administrative methods will strengthen the conservative orientation within the party and will help remove the present reforming orientation. The power apparatus will strengthen itself administratively and ideologically, but no urgent social and economic problem will be solved. The system will continue to be wasteful in production and unjust in sharing the cake because a power apparatus that is strong, authoritative and devoid of social control must necessarily create privileges for the groups connected with it. Such is the logic of every authoritative apparatus of power. For those reasons I regard that line of action as a potential source of crises, one that constitutes a dangerous explosive mixture reinforced by the awareness and experience of the workers class in the past 2 years.

Economic Coercion

The consistent implementation of the reform adopted by the Sejm and the continuation of the legislative process in order to provide the many legal acts that a momentous systemic reform needs are an alternative solution, one that provides opportunities for and gives hope to the party and society. With the existing and coming supplies of raw and other materials in the eighties, it is impossible to rapidly increase production and to achieve the past dynamics and lines of development when we have overcome the crisis. But what is possible is to improve the quality of production, better adapt assortment of goods to the demand of buyers, and gradually improve the quality of life. However, to do that we must set in motion the mechanism of economic coercion -- that is, create rigorous conditions for the total self-financing of enterprises, which must look after themselves and be responsible for their own fates and those of their work forces. We must not protect the economically weak enterprises, which waste the extremely tight funds with the help of the expanded system of subsidies. This helps enterprise managements to develop a sense of security because they know they are able to shift the costs of waste to the shoulders of all the people with the help of the mechanism of "the soft budgetary system."

This means that the greatest danger to the new economic mechanism is the again increasing system of subsidies, because subsidies undermine economic coercion and are in conflict with the requirements of cost effectiveness analysis.

From the economic mechanism of enterprises, it is necessary to eliminate all forms of social protection of the weak, inefficient and incapable units. The socialist state should fulfill those crucial social functions with the help of social policy outside the sphere of production. The mechanism of economic coercion also poses exacting requirements for the policy of rational employment in enterprises. It will gradually eliminate so-called social employment, which has existed in the economy for years, has burdened production costs, has lowered work discipline and has demoralized workers, but which has created the appearance of full employment and has given people a sense of guaranteed work no matter what its results have been.

Will our society, which has been harassed by the high costs of our crisis and the martial law restrictions, be willing to have an understanding for the necessity for further sacrifices as the condition for fully implementing the systematic reform? Will it frustrate the implementation of the systematic reform, which has been fought for with such difficulty, by instinctively defending the current level of consumption, which cannot be defended in any case, the stability of the unjustified level and structure of prices, and nonrational employment? The policy of stabilizing prices and employment and the protection of weak enterprises with the help of subsidies are only apparently in the interest of society. Such a policy is actually directed against society's most profound interests. The reform through sacrifices gives us hope for breaking out of the enchanted circle of frustration and supplies us with the opportunity to avoid in future the sickly errors of the seventies and the arbitrary decisions, which are proper to every command-directive system.

A reform involving profound changes in the sphere of institutional solutions and economic mechanisms is the only salvation for the achievements of the socialist revolution. If the proper apparatus implements such a program for repairing our republic, an overwhelming majority of our society will be able to support it and patiently bear the costs of the errors for which it is not responsible.

KULTURA EDITORS DICTATE TO RFE SECTION CHIEF

LD252058 Warsaw Domestic Television Service in Polish 1730 GMT 25 May 82

[Summary] Today is the first time we are speaking in defense of the Polish section chief of Radio Free Europe. The fact is that Zdzislaw Najder -- right at the beginning of his new career -- is being brutally dictated to. These instructions come not from abroad, but from the editors of the Paris KULTURA. An interview appeared in the May issue in which it is suggested that Najder should cultivate the traditions and achievements of Solidarity, encourage passive resistance among the community, broadcast the contents of dissident and underground publications, and closely follow and report on the activity of the church. Why can't he be left to work out things for himself?

NAVIGATIONAL WARNINGS ISSUED FOR 27, 28 MAY

LD270245 Warsaw Domestic Service in Polish 2300 GMT 26 May 82

[Text] Navigational warning -- the following sea areas are being closed to shipping and fishing boats: sea area No 2 on 27 May from 0800 until 1500; sea area No 3 on 27 May from 1300 until 2100; sea area No 3 on 28 May from 1500 until 2400; sea area No 5 on 27 May from 1000 until 1500.

REPORTAGE ON CEAUSESCU-AL-ASAD TALKS IN SYRIA

Report on Talks

AU261040 Bucharest AGERPRES in English 0900 GMT 26 May 82

[Text] Damascus, 26 May (AGERPRES) -- On May 25 official talks began in Damascus between Nicolae Ceausescu, secretary general of the Romanian Communist Party, president of the Socialist Republic of Romania, and Hafiz al-Asad, secretary general of the Arab Socialist Renaissance (Ba'th) Party, president of the Syrian Arab Republic.

President Hafiz al-Asad welcomed warmly the new Syrian visit of President Nicolae Ceausescu who thanked warmly for the invitation addressed to him to visit again the Syrian Arab Republic. Both presidents expressed the conviction that the understandings they would reach would give a stronger impetus to the development of the relations on multiple planes between Romania and Syria.

During the talks the two presidents paid special attention to examining the stage attained by the development of the relations of friendship and multilateral collaboration between Romania and Syria and the possibilities of intensifying and diversifying these relations.

In the framework the sides highlighted the continuous development of the political, economic, technical, scientific relations, as well as in other domains of activity, setting out from fully equal rights, mutual esteem, respect and advantage. The sides expressed the resolve to develop further the cooperation between the two countries in the industrial and agricultural production, in transports and other domains of mutual interest.

Highlighted was also the significance of the expansion of the Romanian-Syrian contacts in science, education, culture, which should contribute to the better mutual acquaintance and rapprochement between the Romanian and Syrian peoples.

During the talks, the determination was expressed to further strengthen the collaboration between the Romanian Communist Party and the Arab Socialist Renaissance (Ba'th) Party, essential factor of the development of the friendship and general collaboration between Romania and Syria.

The two presidents considered that the intensification of the Romanian-Syrian relations is beneficial to and in the interest of both peoples and countries, of their progress and prosperity, is in the interest of the general cause of peace, cooperation and understanding among nations.

In order to materialize the agreements covenanted, the two presidents instructed the members of the two delegations attending the talks to examine the practical questions related to expanding and amplifying the economic collaboration and cooperation and in other domains. Presidents Nicolae Ceausescu and President Hafiz al-Asad also began exchanging views on current questions of the international situation.

The talks pass in an atmosphere of warm friendship and mutual understanding, characteristic of the good relations established between our countries, parties and peoples.

Oprea Meets Minister

AU262025 Bucharest AGERPRES in English 1830 GMT 26 May 82

[Text] Damascus, 26 May (AGERPRES) -- In Damascus, Gheorghe Oprea, member of the Political Executive Committee, first deputy prime minister of the Romanian Government and Vasile Pungan, minister secretary of state, adviser to the president of the republic had working meetings with 'Abd al-Qadir Qaddurah, deputy prime minister in charge on economic affairs; Kamal Sharaf, minister of planning; and 'Abd al-Jabbar ad-Dahhak, minister of oil. The specific ways of further developing the Romanian-Syrian collaboration were discussed in order to ensure, in keeping with the objective set during the summit meetings, a doubled volume of trade exchanges between the two countries by 1985 and the joint building of new economic objectives, particularly in power engineering, petrochemistry, machine-building, metallurgy, building materials.

Presidents Conclude Talks

AU261813 Bucharest AGERPRES in English 1734 GMT 26 May 82

[Text] Damascus, 26 May (AGERPRES) -- The official talks between the general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, Comrade Nicolae Ceausescu and the secretary general of the Arab Socialist Renaissance (Ba'th) Party, president of the Syrian Arab Republic concluded on Wednesday.

In a further round of talks, the two presidents exchanged opinions at length on the current major issues of the international situation. The two heads of state expressed their satisfaction at the results of the visit which, though short, allowed of a thorough analysis of the stage of the Romanian-Syrian relations on multiple planes, of setting measures conducive to the further development of the friendly relations between the Romanian Communist Party and the Arab Socialist Renaissance (Ba'th) Party, between Romania and Syria, to the benefit of both countries and peoples.

The two presidents reasserted Romania's and Syria's will to intensify their collaboration on an international plane, in order to make an ever more active contribution to the cause of detente and understanding in the world, of peoples independence and free development, of peace and many-sided collaboration.

The talks passed in an atmosphere of warm cordiality and friendship, of mutual esteem and understanding. At the end of the official talks, Presidents Nicolae Ceausescu and Hafiz al-Asad adopted a joint communique.

Romanian-Syrian Communique

AU261937 Bucharest AGERPRES in English 1832 GMT 26 May 82

[Report on Romanian-Syrian joint communique on President Nicolae Ceausescu's official visit to Syria 25-26 May 1982]

[Text] Bucharest, 26 May (AGERPRES) -- This document released at the end of the official visit of friendship paid to Syria over May 25-26 by Nicolae Ceausescu, general secretary of the RCP, president of Romania, shows that the Romanian party and state leader and Hafiz al-Asad, secretary general of the Arab Socialist Renaissance (Ba'th) Party, president of the Syrian Arab Republic, had official talks conducted in an atmosphere of cordiality, mutual understanding and esteem regarding the relations between the two friendly countries and some international issues of mutual interest, especially related to the Middle East situation.

The talks were attended for Romania by Cheorghe Oprea, first deputy prime minister; Aurel Duma, minister secretary of state, the Ministry of Foreign Affairs; Vasile Pungan, minister secretary of state, adviser to the president of the republic; Constantin Mitea, adviser to the president of the republic; and Grigore Comartin, Romania's ambassador to Syria.

For Syria, the talks were attended by Dr 'Abd ar-Ra'uf al'Kasm, prime minister; 'Abdal-Halim Khaddam, deputy prime minister and minister of foreign affairs; 'Abd al-Qadir Qaddurah, deputy prime minister in charge of economic affairs; 'Abd al-Karim 'Adi, minister of state for presidential affairs; Faruq ash-Shar, minister of state for foreign affairs; Hayssam Barakat, ambassador of Syria to Romania.

The two presidents informed each other on the current preoccupations in their countries in the economic and social construction. The two party and state leaders expressed full satisfaction at the ample, multilateral development of the relations of close friendship and fruitful cooperation between Romania and Syria in all domains of activity, which fully accords with the fundamental national interests of the two friendly countries and peoples, of the general cause of international peace and collaboration. In this frame, emphasis was placed on the important results scored in the process of translation into life of the agreements reached during previous summit meetings in Bucharest and Damascus, as well as in the enforcement of the provisions included in other documents of cooperation between the two countries, in harmony with the principles and objectives set in the joint Romanian-Syrian statement signed in Bucharest on February 7, 1981.

Emphasis was placed on the fact that the lasting foundation of the continuous development of the Romanian-Syrian relations is made by the principles of strict observance of national independence and sovereignty, fully equal rights, non-immixture in internal affairs and mutual advantage, the inalienable right of every people to self-dependently decide its development path with no outside immixture.

Highlighted during the talks was the special importance of the meetings between the two party and state leaders, the fundamental role played by the summit talks and the agreements reached on such occasions, which every time give fresh impetus to the development of the Romanian-Syrian relations in the political, economic and other domains of mutual interests. Expressed was also the determination of the presidents of Romania and Syria to work in the future too, most firmly, in order to ensure the amplification and diversification of the links of close friendship between the two countries and peoples. The parties also assessed highly the development of the relations between the Romanian Communist Party and the Arab Socialist Renaissance (Ba'th) Party and agreed that these relations be expanded further on, through the intensification of the direct contacts and of the swap of experience in economic and social construction.

During the talks, special attention was paid to the examination of the bilateral economic relations. In that frame, the two heads of state set the measures needed for ensuring the further highrate development of the collaboration between the two countries in all economic domains of mutual interest, by controlling and stepping up the accomplishment of the joint projects and programmes of cooperation, by seeking out new ways and means for enlarging the economic cooperation in various branches of activity, by taking measures conducive to increasing the commercial exchanges. During the visit, a protocol was covenanted, referring to the development of the economic cooperation and increase of the trade exchanges between Romania and Syria.

The two party and state leaders expressed their appreciation of the level and volume of ventures achieved in technological and scientific cooperation between Romania and Syria, as well as regarding the cultural exchanges, stressing also their satisfaction at the concrete results in connection with the cadres' training and the swap of experience in domains of mutual interest to the two countries.

The two presidents made a thorough exchange of view on current international issues and on the processes taking place in contemporary world. They noted that the evolution of the international relations confirms the correctness of the appreciations comprised in the joint Romanian-Syrian documents.

The two presidents paid special attention to the grave, tense situation in the Middle East, consequent to the obtaining Israeli occupation of Arab territories, to the further ignoring of the UN resolution and to the disregarding of the Palestinian people's inalienable national rights.

The presidents of Romania and Syria, condemning the annexation by Israel of the Golan Heights which belong to Syria, reaffirmed that that action with aggressive character of territorial expansion is illegal and void, accounts for a flagrant violation of the principles of inadmissibility of annexation of territories occupied by force, of the national sovereignty and territorial integrity of an independent state and equally represents a flagrant violation of the UN charter and resolutions, a threat at peace and security in the region and in the world.

Examining the current evolution of the Middle East situation, the two presidents stressed that it is impossible to settle the Arab-Israeli conflict without taking account of the Palestinian issue, which is the central problem of the conflict, and that the Palestine Liberation Organization, the sole legitimate representative of the Palestinian people, cannot be dismissed from the negotiations.

They consider that a global, just and lasting solution to the Middle East conflict cannot be reached but through the complete urgent withdrawal of the Israeli forces from all the Arab territories occupied in 1967 -- Arab Jerusalem included -- and through the acknowledgement of the national inalienable rights of the Palestinian People, inclusive of its right to self-determination, to return to its home and to build its own independent state, in tune with the relevant resolutions of the UN on the Palestinian issue.

The two sides disapprove firmly of the Israeli practices in the occupied Arab territories, the annexation of part of them, the aggressive acts, the creation of Israeli settlements, the violation of the historic heritage and of the Arab culture, the trespassing of the human rights, that are reflected in discriminating measures, actions that lead to the destruction of material assets and human lives through the expulsion or removal of the Arab inhabitants. Related to this situation the two presidents expressed the solidarity of their peoples and countries with the brave fight and staunch resistance of the Arab inhabitants against the Israeli occupation in Cisjordan, Gaza Strip and the Golan Heights.

The two presidents expressed their resolve to take further firm action for the achievement of a global, lasting and just peace in the Middle East. The sides expressed once more their disapproval of the continuing aggressive actions of Israel against Lebanon, the repeated attacks against the territory of that country, the direct and indirect interference in its domestic affairs and the persisting attempts to divide Lebanon, to escalate the tension and to liquidate the Palestinians living on Lebanese territory. The sides reasserted their firm support to the legal Lebanese authorities, so that the country may exert control over its entire territory, for safeguarding the sovereignty, independence and territorial unity of Lebanon.

The two presidents agreed to maintain permanent contacts between Romania and Syria and to proceed to bilateral consultations as often as needed, in relation to the major international problems of mutual interest.

Examining the developments in Europe, President Nicolae Ceausescu and President Hafiz al-Asad have highlighted the importance attached by their countries to building security and to promoting wide cooperation among the states on the continent, stressing the positive effects they would trigger in the promotion of peace and understanding worldwide.

The two presidents have expressed their worry in relation to the situation created in Europe as a consequence of the intensifying arms race and of the accumulation of most up-to-date mass destruction weapons -- intermediate-range missiles included -- of the lack of progress in the disarmament negotiations, this being a great threat at the peace and security of the continent and of the whole world.

Starting from the special importance of the Madrid conference of the representatives of the states participating in the Conference of Security and Cooperation in Europe, the two presidents emphasized the necessity for it to unfold in a constructive spirit and to reach positive results. The sides highlighted the necessity for the Madrid conference to conclude with resolutions which should reassert the principles and pledges taken in Helsinki and contribute to their unitary fulfillment, to the expansion of an unhindered cooperation between European states, and particularly, to determine concrete measures of military dismantlement and disarmament, which should lead to the convening of a conference on confidence-building and disarmament in Europe, to establish the further organization of other conferences devoted to collaboration and security in that part of the world.

Within that framework, the sides pointed out that the security in the Mediterranean is closely linked to security in Europe and considered it necessary to pay due attention to that question within the proceedings of the conferences which debate the question of security and cooperation in Europe.

Emphasis was placed on the constructive role which can be played by an active participation of the non-European Mediterranean countries in the debates organized under the aegis of the Conference for Security and Cooperation in Europe and in the adopted measures which refer to the issues in the Mediterranean region, in keeping with the provisions written down in the Helsinki Final Act.

The two presidents emphasized the significance of the development of the relations of good neighborliness and collaboration among the countries and peoples in the Balkans, of turning this region into a zone of peaceful coexistence, without nuclear weapons, which could have most positive effects on the whole of the European political climate.

The two sides reiterated their conviction that the eradication of underdevelopment and the establishment of a new international economic order, apt to provide necessary conditions for each nation's free and progressive development, represents one of the fundamental questions of contemporary world. The two presidents highlighted the necessity of a closer collaboration and of concerted stands among the developing countries both as regards the negotiations with developed states and the expansion of the economic cooperation among them, on mutually advantageous bases.

Exchanging opinions on disarmament issues, the two countries pointed to their profound worry at the continuation of the arms race and at the use of huge material, financial and human means to military purposes which represent a heavy burden for all the peoples and is a permanent threat at the world peace and security. Both sides stressed the need for application of practical efficient measures of general disarmament, of nuclear disarmament first of all -- a vital prerequisite for security worldwide, for diminishing the tension, for the promotion of the international relations in general, to the advantage of civilization in general and the future of the entire humankind. Highlighting the special attention paid by Romania and Syria to the impending United Nations Organization special session on disarmament, the sides expressed the wish of their countries to make their full contribution to the endorsement of resolutions to meet to the full the peoples' expectations and wish that an end be put to the arming policy.

The two sides have reasserted their countries' solidarity with and support to the struggle for the liquidation of colonialism, neocolonialism and racial discrimination of the African continent. Both sides have declared for an immediate application of the UN resolutions concerning Namibia, for the transfer of power to the SWAPO, the legitimate representative of the Namibian people. At the same time the sides highlighted the need for a halting of the aggressive actions of the racist regime of the Republic of South Africa against Angola and Mozambique.

Presidents Nicolae Ceausescu and Hafiz al-Asad stressed the need for action to be taken in a sense of high responsibility in order to put an end to the tensions in the world, which accords with the interests of all peoples, with the need for resuming the policy of peace, detente and collaboration internationally.

In this frame, the two parties assessed highly the role of the non-alignment in the settlement of the current international issues and its contribution to seeking out proper solutions to these issues. Expressed was the confidence that the consolidation of the role of the Non-Aligned countries' Movement in the world serves the interests of all peoples who fight for free development, national independence and economic and social progress. At the same time, emphasis was placed on the need for increasing the role and contribution of the United Nations, of other international bodies in the settlement of the complex issues facing mankind.

Nicolae Ceausescu, general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, and Hafiz al-Asad, secretary general of the Arab Socialist Renaissance (Ba'th) Party, president of the Syrian Arab Republic, assessed highly the permanent summit dialogue existing between the two countries, as well as the fruitful results reached during the Damascus talks, their important contribution to the consolidation of the relations of tight collaboration between the Romanian people and the Syrian people, and to their diversification in the future. The sides expressed their wish to continue the summit dialogue, to promote the exchange of opinions, and the interviews, and talks at top level.

Comrade Nicolae Ceausescu expressed warm thanks to President Hafiz al-Asad, the Syrian people, for the friendly reception and special hospitality he and the Romanian officials accompanying him had enjoyed during the official visit paid to Damascus. The general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, addressed a cordial invitation to the secretary general of the Arab Socialist Renaissance (Ba'th) Party, the president of the Syrian Arab Republic, to pay an official visit of friendship to the socialist republic of Romania. The invitation was accepted with great pleasure; the date of the visit is to be established at a later date.

Ceausescu Returns Home

AU261725 Bucharest Domestic Service in Romanian 1700 GMT 26 May 82

[Text] Comrade Nicolae Ceausescu, RCP secretary general and president of the Socialist Republic of Romania, this evening returned to Bucharest after his official friendly visit to the Syrian Arab Republic at the invitation of the secretary general of the Arab Socialist Ba'th Party, Hafiz al-Asad, president of the Syrian Arab Republic.

Our party and state leader was accompanied on this visit by Comrades Gheorghe Oprea, member of the Political Executive Committee of the party Central Committee and first deputy prime minister of the government; Aurel Duma, minister secretary of state at the Ministry of Foreign Affairs; Vasile Pungan, minister secretary of state and counselor to the president of the republic; and Constantin Mitea, counselor to the president of the republic.

Upon arriving at Otopeni airport, Comrade Nicolae Ceausescu was welcomed by Comrade Elena Ceausescu, Comrade Constantin Dascalescu and by other comrades of the party-state leadership. Numerous Bucharest residents were also present at the airport fervently reasserting their boundless love and the esteem the entire nation harbors for the beloved leader of our party and state. They chanted with enthusiasm: "Ceausescu-RCP," "Ceausescu and the people," and "Ceausescu-peace." Together with these warm feelings, they expressed deep pride and complete satisfaction with the fruitful results of Comrade Nicolae Ceausescu's visit to Syria, a visit, which like all Romanian-Syrian summit meetings, marks a moment of great importance in constantly developing and strengthening relations of lasting friendship and fruitful cooperation between our parties and countries to the benefit and in the interest of both peoples and the general cause of cooperation and peace throughout the world.

Syrian Reportage

For Damascus reportage on Romanian President Nicolae Ceausescu's visit to Syria and his meetings with Syrian President Hafiz al-Asad, see the Syria section of the 26 May Middle East & Africa DAILY REPORT and subsequent issues.

GDR DELEGATION CONTINUES ROMANIAN VISIT

LD261638 East Berlin ADN International Service in German 1500 GMT 26 May 82

[Text] Bucharest, 26 May (ADN) -- GDR National Defense Minister Army General Heinz Hoffmann and the military delegation led by him continued their official visit to Romania on Wednesday.

In the morning the delegation visited an industrial enterprise which produces helicopters, planes for use in agriculture and training, and gliders, all for domestic use as well as for export. Army General Hoffmann was accompanied by Romanian Minister of National Defense Lt Gen Constantin Olteanu.

In the afternoon the GDR military delegation visited a Romanian Army training base. During this visit cordial talks with officers, NCO's and soldiers took place.

CEAUSESCU, PRESS MARK KADAR'S BIRTHDAY

Ceausescu Awards Order

AU261054 Bucharest Domestic Service in Romanian 0400 GMT 26 May 82

[Text] By a presidential decree signed by Comrade Nicolae Ceausescu, the Star of the Socialist Republic of Romania, first class with sash, was awarded to Comrade Janos Kadar, first secretary of the MSZMP Central Committee on the occasion of his 70th birthday.

On the occasion Comrade Nicolae Ceausescu sent a cordial congratulatory telegram, in which he expresses the conviction that the relations of friendship and cooperation between the RCP and the MSZMP, between the Socialist Republic of Romania and the People's Republic of Hungary, based on the principles of equality of rights, respect for national independence and sovereignty, noninterference in internal affairs, solidarity and mutual assistance, will continuously develop, in the interests of the Romanian and Hungarian peoples, and of the cause of socialism and peace, security and cooperation in the world.

Paper Praises Kadar

AU261853 Bucharest AGERPRES in English 1822 GMT 26 May 82

[Text] Bucharest, 26 May (AGERPRES) -- SCINTEIA of May 26 prints an article paying homage to Janos Kadar, first secretary of the CC [Central Committee], of the HSWP, on his 70th birthday. Marking this event -- SCINTEIA shows -- the communists, the working class, the peasantry, the intelligentsia of the neighbour and friendly country, praise in Janos Kadar the communist militant and leader who dedicated his entire life to the struggle against exploitation and oppression, for the national and social liberation of the Hungarian people and the building of the new, socialist system in his homeland, for the attainment of the goals of socialism and peace in the world.

The article enlarges upon Janos Kadar's personality, upon the activity he has carried on along the years in the high offices he was entrusted with. Under the leadership of the Hungarian Socialist Workers' Party, of its Central Committee at head with Janos Kadar, SCINTEIA goes on, the working people in Hungary have scored important successes in the development and modernization of the national economy, in industry and agriculture, in raising the material and spiritual standards, in building the developed socialist society.

This anniversary, the newspaper highlights, is an opportunity for the Romanian people to reassert its feelings of friendship for the Hungarian people, its wish that the relations of mansided collaboration between the two countries steadily expand.

Acquiring a new, superior qualitative content in the years of socialist construction, benefitting by the framework provided by the treaties of friendship, collaboration and mutual assistance concluded between the two countries in 1948 and 1972, the Romanian-Hungarian relations develop on the basis of the principles of equal rights, respect for national independence and sovereignty, non-interference in internal affairs and mutual advantage.

The economic relations witness a positive course, the recent talks in Budapest highlighting new possibilities provided by the development of productive forces in Romania and Hungary as well as by geographic proximity for the steady increase of exchanges, the expansion and diversification of cooperation in specialization of production.

Cooperation also develops in science, culture and education, for better mutual knowledge, fact which meets the common interest of consolidating mutual friendship.

A role of greatest importance in the development of those relations has been played by the meetings between Nicolae Ceausescu and Janos Kadar which set the guidelines of deepening the cooperation between the two parties, countries and peoples, SCINTEIA highlights, quoting the assessments of the two leaders on the results of the talks conducted in Debrecen and Oradea (June 1977).

In conclusion SCINTEIA shows: Addressing warm congratulations to the Hungarian people on the 70th birthday of Janos Kadar, the Romanian people reasserts its conviction that the development of the Romanian-Hungarian relations of friendship and multilateral collaboration fully meets the requirements for socioeconomic progress, the interests of the two peoples committed to building the new system, of the general cause of socialism, progress and peace.

SUDANESE PRESIDENT RECEIVES TRADE MINISTER

AU221436 Bucharest AGERPRES in English 0940 GMT 22 May 82

[Text] Khartoum, 22 May (AGERPRES) -- Ja'far Muhammad Numayri, president of the Democratic Republic of Sudan, received Ion M. Nicolae, minister secretary of state, the Ministry of Foreign Trade and International Economic Cooperation, head of the International Economic Cooperation Department, now visiting Sudan.

The interview occasioned an exchange of salutes between the presidents of Sudan and Romania. The president of Sudan assessed highly the special efforts the Romanian head of state devoted to the cause of peace and international cooperation, to the peaceful settlement of the conflicts existing today in the world. Stress was placed on the multilateral support granted to Sudan by Romania, by President Nicolae Ceausescu personally, and the mutual wish was expressed to develop and diversify the commercial exchanges and the bilateral cooperation in the interest of both countries and peoples.

The Romanian minister had meetings with the minister of cooperation, trade and supply; the minister of communications; the minister of finance and planning; the minister of industry; with executives of firms and other officials. Concrete measures were covenanted for increasing the commercial exchanges and starting new cooperation ventures to mutual benefit.

GREECE'S PAPANDREOU PAYS FIRST OFFICIAL VISIT

Meets Planinc at Airport

AU261548 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 26 May 82

[Excerpt] As we have informed you, Greek Prime Minister Andreas Papandreou arrived on a 3-day official, friendly visit to our country. Dragan Petrovic reports on Papandreou's first visit to one of the neighboring Balkan countries since he became prime minister of the first Greek socialist government:

At the festively decorated Belgrade airport, Andreas Papandreou was met by Milka Planinc, president of the Federal Executive Council, who also wished him a cordial welcome. The Greek prime minister and members of the delegation were also welcomed by Lazar Mojsov, federal secretary for foreign affairs; Janko Smole and Zivorad Kovacevic, members of the Federal Executive Council, as well as by Bogdan Bogdanovic, president of the Belgrade City Assembly.

Ioannis Kharalambopoulos, Greek minister of foreign affairs, and other high personalities arrived together with the Greek prime minister.

Talks Held 26 May

LD262304 Belgrade TANJUG in English 2100 GMT 26 May 82

[Text] Belgrade, 26 May (TANJUG) -- In an exchange of views on international issues, Greece and Yugoslavia tonight voiced concern at the aggravated relations in the world, intensified arms race, and inter-bloc rivalry felt in virtually every region of the globe. The two countries shared concern also at the very acute crisis in world economic relations, due to open hotbeds of crises and the complete setback in the development of detente. This was said at the talks in Belgrade tonight between President of the Federal Executive Council Milka Planinc and Greek Prime Minister Andreas Papandreou and their associates.

During this, first part of the official Yugoslav-Greek talks, views were exchanged on the many international questions, and, in a friendly and open atmosphere, mutual content was expressed with this visit.

In pointing out esteem and respect of the Greek people for the glorious [word indistinct] of the late President Tito, the Greek prime minister particularly emphasized that his arrival in Yugoslavia is his first visit of the countries in this region, which he evaluated as being particularly dear to him in view of the already traditional friendly ties between the two countries that date as far back as the period of struggles of the two nations for freedom and independence.

Discussed were the threats for peace in Europe and in the world in general stemming from the amassed armaments, particularly nuclear weapons in Europe. Also discussed was a setback in the negotiations on reducing such weapons. Yugoslavia and Greece, the former nonaligned and the latter a NATO member notwithstanding, fully agree that in this international situation in Europe as well as in the world, no efforts are to be spared to stop the crisis and to revitalize the detente with the participation of all the countries, in order to find ways for a peaceful settlement of these issues.

TANJUG has learned that during the talks tonight also discussed were the proportions of the dangers that are threatening concerning the existent views on the possibility of limited nuclear war. This was assessed by both sides as bringing about immeasurable consequences on world peace and as imperilling mankind as a whole. What is in this respect of the widest significance is the movement of masses in Europe and in other continents which could have influence on the governments of other countries in preventing any such tendencies.

Milka Planinc pointed out that Yugoslavia, as a nonaligned country, actively strives for the preservation of world peace and for opening of the process of disarmament. She laid special emphasis on the role and significance attached by Yugoslavia to the policy of nonalignment as a factor that may contribute to the constructive settlement of major problems faced by the world today. On his part, Papandreou said that Greece, although not a nonaligned country, had a great deal of sympathy for the movement's policy of nonalignment that has great significance for the establishment of better relations in the world.

In analyzing the Middle East situation, Planinc and Papandreou, it has been learnt, have come to the conclusion that a lasting peace in this region cannot come true without Israel's withdrawal to the borders prior to the 1967 war, and without recognizing the rights to the Palestinian people legitimately represented by the P.L.O. Concern was voiced at the Iraq-Iran conflict, and the two sides had identical views on the harmfulness of this war for the whole region and for the whole international community.

Milka Planinc and Andreas Papandreou pointed out the two governments' readiness to continue cooperating and improving their relations. It was said that the peoples of the two countries nurtured mutual friendly feelings, and it was the duty of their government to respect these feelings and turn them into cooperation and into joint action on the international plane to the end of (?presenting) peace in Europe and the world.

Talks between Milka Planinc and Andreas Papandreou are to resume tomorrow.

Planinc Dinner Toast

LD270118 Belgrade TANJUG Domestic Service in Serbo-Croatian 2049 GMT 26 May 82

[Excerpt] Belgrade, 26 May (TANJUG) -- Milka Planinc, president of the Federal Executive Council [FEC], organized a formal dinner in honor of Andreas Papandreou, prime minister of the Republic of Greece, at the Palace of the Federation this evening.

The formal dinner, which took place in a very cordial and friendly atmosphere, was also attended by Ioannis Kharalambopoulos, the Greek minister of foreign affairs; Dhimitrios Maroudhas, deputy minister to the prime minister on press issues; Dhimitrios Makris, Greek ambassador to Yugoslavia, (Yeoryios Mazarakis and Khristos Mahsiricas,) high-ranking officials in the Ministry of Foreign Affairs and the office of the Greek prime minister; and other persons accompanying the Greek prime minister.

On the Yugoslav side the dinner was attended by Lazar Mojsov, federal secretary for foreign affairs; Dusan Alimpic, member of the LCY Central Committee Presidium; Bogoljub Nedeljkovic, president of the Yugoslav Trade Union Federation Council; Branislav Ikonc, president of the Executive Council of the Socialist Republic of Serbia; Dr Mijat Sukovic, vice president of the FED; Janko Smole, member of the FED; Adm Branko Mamula, federal secretary for national defense; Zivorad Kovacevic, member of the FEC; Mitko Calovski, federal secretary for information; Dr Branka Lazic, president of the conference for questions of the social position of women in Yugoslavia; Bogdan Bogdanovic, president of the Belgrade City Assembly; and other Yugoslavs.

Welcoming the high-ranking guest from neighboring Greece, Milka Planinc, president of the FEC, said.

"Your visit reflects the continuity and high level of good-neighborly cooperation and friendship between our two countries, and at the same time is in the lasting interests of our peoples. Your visit and the talks which we have already started, we are sure, will also act as a new and strong impetus in our mutual relations, their strengthening in all spheres of cooperation and the deepening of mutual cooperation."

Yugoslav-Greek relations are developing successfully in the spirit of friendship, trust and mutual respect. This is a reason for satisfaction, Milka Planinc said, but also a stimulus for new efforts and initiatives aimed at finding constructive solutions to all questions of significance for our more rapid joint movement forward. According to the president of the FEC, there are very favorable and wide-ranging possibilities for mutual cooperation both in the sphere of bilateral relations and more widely in efforts aimed at peace, security and cooperation in the international sphere.

"However, we feel that it would be a mistake to remain satisfied with what has been achieved. We believe that you will agree with the assessment that our mutual economic relations, although they are developed, in no way correspond to the real possibilities or our needs. We need to expand and enrich them, in particular bearing in mind objective advantages offered by the closeness of the markets and the complementary nature of our economies. We are linked not only by the region in which the peoples of our countries live but by a long tradition of relations and we are deeply convinced that we also need to achieve the development of wide-ranging and comprehensive exchanges in the spheres of culture, education, tourism, science and other aspects and spheres of cooperation."

Speaking about topical events in the world, the president of the FEC noted that the international situation is very (?complex) and fraught with numerous serious problems. Relations in the world are characterized by many conflicts, crises, pressures and attacks on the independence of many countries, as well as an increased arms race, the lack of resolution of world economic problems and competition between the bloc powers in all this. Unfortunately, Milka Planinc said, this has not excluded Europe.

"We feel that the prime task of the international community is to (?establish) a process of detente which must become universal. Its crisis now has also been caused precisely by its bloc, geographical and essential limitations. We expect this to be one of the priority tasks of the forthcoming seventh conference of nonaligned countries, preparations for which we are involved in together with other nonaligned countries."

In the stormy history of our continent, Milka Planinc went on, Yugoslavia and Greece, two neighboring Balkan countries, often found themselves together. The small ceremony of unveiling a memorial plaque in Riga Od Fere Street in Belgrade tomorrow which you, Mr Prime Minister, will be carrying out, reminds us vividly of one of the many significant historic moments when our two countries and their peoples were together. Now, in this critical international situation, we are again offered the opportunity to join efforts to make a contribution to peace, collective security, stability and progress in the region in which we live, and so to the positive development of international cooperation.

As a nonaligned socialist country, Yugoslavia calls for full respect for the sovereign rights of every people to independence and the establishment of their own life according to their own wishes, in conditions of peace and security. We proceed from this in our view of crises and their resolution in various parts of the world, considering inadmissible any foreign intervention, interference, pressures or threats. In this, the president of the FEC emphasized, we also see the specific domination which is one of the essential aims of every progressive and democratic policy and an expression of the desire for social progress. The arms race, bloc rivalries, the continued deepening of the gap between the economically developed and the developing countries and the increasing use of force represent, unfortunately, the world reality of our days and form a dangerous maelstrom which threatens to swallow up detente and increase the danger of a general deterioration and feeling of insecurity. Even in our countries' close neighborhood, in the Mediterranean and the Near East, we have two very dangerous crisis flashpoints.

Regarding the Cyprus issue, Planinc said, "Yugoslavia is in favor of a just solution based on the standpoints of the Nonaligned Movement. Such a solution includes the demand for the withdrawal of all foreign troops and the securing of the territorial integrity, independence and nonaligned status of the Republic of Cyprus, as well as the consolidation of internal life by means of an essential agreement between the two Cypriot communities."

In the Near East the crisis is deepening. This is confirmed by the latest events in this region. Israel in its persistent continuation of aggression can still count on foreign support. A total solution can only be found if Israel withdraws from occupied territories and if the sovereign national rights of the Palestinian people are satisfied and the PLO recognized as an equal participant in the process of the peaceful resolution of this crisis which is already chronic.

"For us the peaceful resolution of every crisis, the inadmissibility of intervention or interference and the right of peoples to decide on their own fate represent the supreme principles in international relations which every country must respect. Yugoslavia holds consistently to these principles and under no circumstances intends to deviate from them, regardless of who violates them and where," the president of the FEC emphasized.

"We share the general concern in the world at the current international situation. In particular we are concerned at the situation in Europe for it has a great influence on general peace and security in the world. This is why we have advocated resolutely, together with the neutral and nonaligned countries of Europe, the offering of a solution to the situation in which the Madrid meeting found itself. Our aim in this way is to maintain the possibility of continuing the process of carrying out the spirit of the CSCE, which is of vital interest to all the peoples of Europe and the whole world. We hope that this Autumn the situation will be better and more fortunate and that we shall all work together more successfully to strengthen cooperation and security in Europe and so contribute to ending the nuclear and conventional arms race in Europe."

Yugoslavia's policy is based on the principles of nonalignment as its lasting orientation, Milka Planinc said then, and it is aimed at developing friendly and mutually advantageous relations with all countries. In our region, here in the Balkans, this is a policy of good-neighborliness which can be promoted successfully and continuously in the bilateral and multilateral spheres. Of course, this assumes consistent respect for the principles of sovereignty, territorial integrity, equality and noninterference, principles which were written down in the Helsinki Final Act. This would undoubtedly strengthen trust among Balkan countries, would make their cooperation more fruitful and would create possibilities for the elimination or resolution of questions which remain open in existing relations. In holding to these principles, Yugoslavia as a socialist community bases its life on complete equality of the nations and nationalities and on its own openness toward the world. The openness of borders, free communication between peoples and economic and cultural cooperation are the directions of our efforts aimed at enriching the content of good-neighborliness, the president of the FEC emphasized. On this, "Yugoslavia gives a special place to national minorities, which are numerous in this Balkan region. They should serve as firm bridges of trust and linking and should not be the apple of discord."

"We believe in the various possibilities of intra-Balkan cooperation. By carrying out these possibilities we can change the climate in the Balkans in favor of strengthening trust and general security. We believe deeply that this is in the true interest of all peoples and countries in the Balkans, to which history has not always been inclined.

We note with great satisfaction the fact that the governments of our two countries have clearly expressed their resolve to work individually and jointly in this direction. This for its part points to the closeness and identity of our aspirations and activities. Such relations between Yugoslavia and Greece represent a significant positive factor in the situation in the Balkans. We can only express our desire that such relations and ("this) orientation strengthen in relations among all Balkan countries.

In such developments we also see the prospect of transforming the Balkans into an area free of nuclear weapons, free of the threat of their use and in general of the use of force against the independence of territorial integrity of any Balkan country. Such a development of relations in the Balkans, which is closely linked with the situation in the Mediterranean, the waters of which lap the shores of our countries, would be a contribution to correcting the situation in Europe, Milka Planinc, president of the FEC concluded.

Papandreou Speaks at Dinner

LD270130 Belgrade TANJUG in English 2210 GMT 26 May 82

[Excerpts] Belgrade, 26 May (TANJUG) -- Yugoslav Premier Milka Planinc tonight stated that Yugoslav-Greek relations were developing successfully in the spirit of friendship, trust, and mutual respect.

Milka Planinc spoke at the official dinner given in honour of her guest, Greek Prime Minister Andreas Papandreou who began his official visit to Yugoslavia today.

In answer to Milka Planinc's toast, Greek Prime Minister Papandreou said that the Pan-Hellenic Socialist Movement and government view the role of the non-aligned countries as very important, especially in the present period when the world is in different forms returning to the cold war. He said that the non-aligned are today the only voice opposing the logic of the two blocs. The Movement of the Non-Aligned, Greek Prime Minister Papandreou said, is of an immense importance for all countries struggling for national independence.

Prime Minister Papandreou set out the just struggle of the Palestinians and their right of self-determination and the (?recognition) of their own state. The new Greek Government has recognized diplomatic status to the Palestine Liberation Organization, the Greek prime minister underlined.

Referring to the Cyprus question, the Greek prime minister said that problems exist between the two communities and that the only way for solving them is dialogue. [Word indistinct] always under the auspices of the Organization of United Nations. The occupation of [number indistinct] percent of Cyprus territory of Turkish armed forces is a reality, however. The Greek Government does not recognize the right to intervention in Cyprus either by Turkey or (?Greece). Cyprus is an independent state, a member of the United Nations. Our struggle is a struggle for the independence, non-alignment (and denuclearization) of Cyprus, the Greek prime minister said.

The Greek prime minister paid high tribute to Yugoslavia for her contributions to peace. In pointing out the mounting arms race and polarization between the Soviet Union and the U.S., Papandreou observed that small countries, like Greece and Yugoslavia, cannot supply solutions to war problems. They had the right and the duty to have their voices heard and obligations to (?fulfill) towards their nation and mankind.

Papandreou spoke about Tito as one of the greatest personages of the present-day history. It belongs to mankind. He struggled with success to build a free and independent state which has succeeded in remaining non-bloc country, to develop a country which contributes to peace and ensures decision-making by its people on all matters concerning it.

Papandreou in conclusion stated the conviction that great possibilities exist for developing [word indistinct] relations between Greece and Yugoslavia in all fields. The Greek premier said that his visit to Yugoslavia will enable the opening of new horizons and new paths in relations between the two peoples.

PRC TRADE DECREASES CHARTED OVER 18 MONTHS

AU261402 Belgrade BORBA in Serbo-Croatian 21 May 82 p 9

[Text] Belgrade -- The volume of the Yugoslav-Chinese trade in the first 4 months of this year amounts to only about \$13 million, of which Yugoslav exports are less than \$5 million. In comparison with the same period last year, this means a decrease by almost one half, while the imports from China were only 60 percent of the value of the first quarter last year.

This situation is even more serious because it did not occur suddenly. The trade has been decreasing for more than 1 and 1/2 years, it was said yesterday in the section for promoting economic relations with China of the Yugoslav Chamber of Economy. The results are in complete contrast with the frequently expressed interest by both sides to constantly expand and advance their economic relations.

DRAGOSAVAC GREETES HUNGARY'S KADAR ON BIRTHDAY

LD251706 Belgrade TANJUG Domestic Service in Serbo-Croatian 1234 GMT 25 May 82

[Text] Belgrade, 25 May (TANJUG) -- Dr Dusan Dragosavac, president of the LCY Central Committee Presidium, on behalf of the LCY Central Committee Presidium and on his own behalf, has sent Janos Kadar, first secretary of the MSZMP Central Committee cordial felicitations and best wishes for his good health, personal happiness and fresh successes in his responsible work on the occasion of his 70th birthday. The telegram points to the contribution which Janos Kadar has made to the struggle for the implementation of historic objectives and interests of the working class and people of Hungary; whose fruits can be seen in the successful socialist development of the country. It also expresses the wish that neighboring and friendly socialist Hungary may continue to develop successfully.

The telegram also stresses Janos Kadar's contribution to the development of friendly relations and equal cooperation between the LCY and the MSZMP, and our two countries. It notes that Yugoslav-Hungarian relations, whose foundations were laid by Comrades Tito and Kadar, have made the development of mutually useful cooperation possible in all spheres; and expresses the conviction that this is a lasting basis on which they will continue to develop successfully and strengthen the friendship of the peoples of Yugoslavia and Hungary and the interests of the working class and peoples of both countries, peace and equal international cooperation, social progress and socialism.

STAMBOLIC TO LEAD DISARMAMENT DELEGATION AT UN

LD262300 Belgrade TANJUG in English 1730 GMT 26 May 82

[Text] Belgrade, 26 May (TANJUG) -- The Yugoslav delegation to the second special U.N. General Assembly session on disarmament will be headed by Presidency of Yugoslavia President Petar Stambolic.

The decision was made by the Presidency of Yugoslavia at its session this morning. The Presidency discussed and adopted Yugoslavia's platform for the special U.N. session.

Discussing the international conditions in which the special session will be held, the Presidency of Yugoslavia again pointed to the disturbing proportions of international tensions which have spread at all parts of the world and all aspects of international relations. The arms race continues at an unabated pace and acquires broad dimensions threatening world peace and, especially the independence and development of the nonaligned and developing countries, the Presidency noted this, [word indistinct] set out, spurs the use of force in international relations and arms stockpiling increasingly threatens international security. The Presidency also pointed to the grave consequences the arms race has on the economic position of the developing countries.

The Presidency of Yugoslavia assessed that in view of the international conditions the second special U.N. disarmament session is particularly important. The [word indistinct] is to make a decisive contribution to efforts for overcoming the existing unfavourable situation in the world and defining the ways for strengthening international peace and security. The special disarmament session is expected to meet the aspirations of the peoples of the world and to point to solutions for halting the arms race through the adoption of a comprehensive disarmament programme. In this context, the Presidency of Yugoslavia set out that the defining of concrete disarmament measures is of primary importance for the security of the non-aligned and other countries and mankind as a whole.

TANJUG REPORTS BOMB EXPLOSIONS IN FRG CLUBS

LD262040 Belgrade TANJUG in English 1800 GMT 26 May 82

[Text] Bonn, 26 May (TANJUG) -- A bomb exploded yesterday evening in a Yugoslav club in Augsburg, the Federal Republic of Germany, causing lesser material damage.

A similar explosion occurred on the eve of May 25 in a Yugoslav club in the town of Buttelheim where two bombs were planted, again inside rooms, but only one exploded. There were no casualties and only lesser material damage was caused. So far there are no indications that the police is on the track of the terrorists. It is assumed, however, that the attack was staged by a group of the anti-Yugoslav fascist and terrorist underground which has as of recently been operating in southern Federal Republic.

OFFICIAL COMMENTS ON ECONOMY, PERFORMANCE

LD262136 Belgrade TANJUG in English 1605 GMT 26 May 82

[Text] Belgrade, 26 May (TANJUG) -- Despite numerous difficulties in ensuring raw materials and semi-manufactured, energy, spare parts and foreign currency, the Yugoslav economy recorded comparatively good results in the first three months of this year. Total earnings increased by 31 percent, realized income by 27 percent, and social product by 33 percent over the results recorded in the same period last year. The above was stated by Deputy General Director of the Yugoslav [Word Indistinct] Accountancy Service Dr Milojd Nikolic at a press conference today.

Dr Nikolic said that in the structure of total earnings, the income realized in foreign markets is growing faster than that realized at home. A growth of realization in common income and earnings is also pronounced.

Such favourable financial results realized by basic organizations of associated labour in the economy were due chiefly to price increases and the growth of material production. They are, however, much less based on the qualitative factors of operation. For example, productivity in this period is the same as last year while the level of efficiency in operation has only symbolically increased.

BRIEFS

MAJOR GENERAL DIES -- Belgrade, 25 May (TANJUG) -- Maj Gen Dragisa Maricic of the Yugoslav People's Army died in Belgrade today after a short grave illness. Major General Maricic, who belonged to the postwar generation of young military commanders, was born at Ropocevo near Sopot in 1933. After completing his military academy training in 1952, he successfully commanded units ranging from platoon to division and completed courses in the highest military schools of the Yugoslav People's Army. His last post was in the Federal Secretariat for National Defense. [Belgrade TANJUG Domestic Service in Serbo-Croatian 1403 GMT 25 May 82 LD]